UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

OR

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

For the transition period from to

Commission File Number 001-13459

AFFILIATED MANAGERS GROUP, INC.
(Exact name of registrant as specified in its charter)

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

777 South Flagler Drive, West Palm Beach, Florida 33401

(Address of principal executive offices)

(800) 345-1100

(Registrant’s telephone number, including area code)

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

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

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

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

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

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

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

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

There were 37,668,634 shares of the registrant's common stock outstanding on November 3, 2022.

FORM 10-Q

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Consolidated revenue	$ 575.2	$ 578.6	$ 1,720.6	$ 1,789.9
Consolidated expenses:				
Compensation and related expenses	256.4	273.8	752.2	797.0
Selling, general and administrative	82.9	93.2	250.3	275.7
Intangible amortization and impairments	8.9	14.4	25.3	39.4
Interest expense	28.5	28.3	82.8	84.7
Depreciation and other amortization	4.0	3.8	12.5	11.9
Other expenses (net)	14.6	11.9	40.6	12.3
Total consolidated expenses	395.3	425.4	1,163.7	1,221.0
Equity method income (net)	35.9	44.8	125.1	123.9
Investment and other income (expense)	37.5	3.1	91.1	(5.3)
Income before income taxes	253.3	201.1	773.1	687.5
Income tax expense	44.9	36.8	166.4	130.5
Net income	208.4	164.3	606.7	557.0
Net income (non-controlling interests)	(80.0)	(51.7)	(219.4)	(189.0)
Net income (controlling interest)	$ 128.4	$ 112.6	$ 387.3	$ 368.0
Average shares outstanding (basic)	41.1	38.2	41.8	38.8
Average shares outstanding (diluted)	44.3	43.5	44.8	47.8
Earnings per share (basic)	$ 3.12	$ 2.95	$ 9.28	$ 9.48
Earnings per share (diluted)	$ 3.00	$ 2.80	$ 8.95	$ 8.83

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Net income	$ 208.4	$ 164.3	$ 606.7	$ 557.0
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss)	(19.7)	(86.8)	11.7	(172.0)
Change in net realized and unrealized loss on derivative financial instruments	(1.9)	(1.6)	(1.0)	(2.2)
Other comprehensive income (loss), net of tax	(21.6)	(88.4)	10.7	(174.2)
Comprehensive income	186.8	75.9	617.4	382.8
Comprehensive income (non-controlling interests)	(77.3)	(31.5)	(215.5)	(140.8)
Comprehensive income (controlling interest)	$ 109.5	$ 44.4	$ 401.9	$ 242.0

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(in millions)

(unaudited)

	December 31, 2021	September 30, 2022
Assets		
Cash and cash equivalents	$ 908.5	$ 622.9
Receivables	419.2	377.7
Investments in marketable securities	78.5	183.7
Goodwill	2,689.2	2,627.9
Acquired client relationships (net)	1,966.4	1,864.1
Equity method investments in Affiliates (net)	2,134.4	2,046.8
Fixed assets (net)	73.9	70.1
Other investments	375.2	353.7
Other assets	231.1	283.3
Total assets	$ 8,876.4	$ 8,430.2
Liabilities and Equity		
Payables and accrued liabilities	$ 789.1	$ 569.1
Debt	2,490.4	2,534.8
Deferred income tax liability (net)	503.2	491.7
Other liabilities	709.2	692.6
Total liabilities	4,491.9	4,288.2
Commitments and contingencies (Note 9)		
Redeemable non-controlling interests	673.9	486.6
Equity:		
Common stock ($0.01 par value, 153.0 shares authorized; 58.5 shares issued in 2021 and 2022)	0.6	0.6
Additional paid-in capital	651.6	709.6
Accumulated other comprehensive loss	(87.9)	(213.9)
Retained earnings	4,569.5	4,940.7
	5,133.8	5,437.0
Less: Treasury stock, at cost (18.3 shares in 2021 and 20.7 shares in 2022)	(2,347.4)	(2,670.8)
Total stockholders' equity	2,786.4	2,766.2
Non-controlling interests	924.2	889.2
Total equity	3,710.6	3,655.4
Total liabilities and equity	$ 8,876.4	$ 8,430.2

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

(unaudited)

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

Three Months Ended September 30, 2022	Total Stockholders' Equity						
	Common Stock	**Additional Paid-In Capital**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Treasury Stock at Cost**	**Non-controlling Interests**	**Total Equity**
June 30, 2022	$ 0.6	$ 651.8	$ (145.7)	$ 4,828.5	$ (2,594.2)	$ 902.8	$ 3,643.8
Net income	—	—	—	112.6	—	51.7	164.3
Other comprehensive loss, net of tax	—	—	(68.2)	—	—	(20.2)	(88.4)
Share-based compensation	—	15.2	—	—	—	—	15.2
Common stock issued under share-based incentive plans	—	(8.5)	—	—	3.4	—	(5.1)
Share repurchases	—	—	—	—	(80.0)	—	(80.0)
Dividends ($0.01 per share)	—	—	—	(0.4)	—	—	(0.4)
Affiliate equity activity:							
Affiliate equity compensation	—	1.6	—	—	—	8.5	10.1
Issuances	—	(5.3)	—	—	—	8.9	3.6
Purchases	—	(1.2)	—	—	—	(1.5)	(2.7)
Changes in redemption value of Redeemable non-controlling interests	—	56.0	—	—	—	—	56.0
Capital contributions and other	—	—	—	—	—	5.2	5.2
Distributions to non-controlling interests	—	—	—	—	—	(66.2)	(66.2)
September 30, 2022	$ 0.6	$ 709.6	$ (213.9)	$ 4,940.7	$ (2,670.8)	$ 889.2	$ 3,655.4

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

(unaudited)

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

Nine Months Ended September 30, 2022	Total Stockholders' Equity						
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock at Cost	Non-controlling Interests	Total Equity
December 31, 2021	$ 0.6	$ 651.6	$ (87.9)	$ 4,569.5	$ (2,347.4)	$ 924.2	$ 3,710.6
Impact of adoption of new accounting standards (see Note 2)	—	(80.6)	—	4.5	—	—	(76.1)
Net income	—	—	—	368.0	—	189.0	557.0
Other comprehensive loss, net of tax	—	—	(126.0)	—	—	(48.2)	(174.2)
Share-based compensation	—	45.0	—	—	—	—	45.0
Common stock issued under share-based incentive plans	—	(38.6)	—	—	21.3	—	(17.3)
Share repurchases	—	—	—	—	(344.7)	—	(344.7)
Dividends ($0.03 per share)	—	—	—	(1.3)	—	—	(1.3)
Affiliate equity activity:							
Affiliate equity compensation	—	4.6	—	—	—	35.1	39.7
Issuances	—	(12.1)	—	—	—	31.4	19.3
Purchases	—	(3.2)	—	—	—	(1.9)	(5.1)
Changes in redemption value of Redeemable non-controlling interests	—	142.9	—	—	—	—	142.9
Transfers to Redeemable non-controlling interests	—	—	—	—	—	(1.8)	(1.8)
Capital contributions and other	—	—	—	—	—	39.4	39.4
Distributions to non-controlling interests	—	—	—	—	—	(278.0)	(278.0)
September 30, 2022	$ 0.6	$ 709.6	$ (213.9)	$ 4,940.7	$ (2,670.8)	$ 889.2	$ 3,655.4

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(unaudited)

	For the Nine Months Ended September 30,	
	2021	**2022**
Cash flow from (used in) operating activities:		
Net income	$ 606.7	$ 557.0
Adjustments to reconcile Net income to cash flow from (used in) operating activities:		
Intangible amortization and impairments	25.3	39.4
Depreciation and other amortization	12.5	11.9
Deferred income tax expense	87.6	47.8
Equity method income (net)	(125.1)	(123.9)
Distributions of earnings received from equity method investments	288.1	339.7
Share-based compensation and Affiliate equity expense	90.9	80.9
Other non-cash items	(69.1)	2.0
Changes in assets and liabilities:		
Purchases of securities by consolidated Affiliate sponsored investment products	(91.1)	(34.5)
Sales of securities by consolidated Affiliate sponsored investment products	49.9	24.5
(Increase) decrease in receivables	(81.0)	9.5
Decrease in other assets	22.5	19.3
Increase (decrease) in payables, accrued liabilities, and other liabilities	80.1	(176.2)
Cash flow from operating activities	897.3	797.4
Cash flow from (used in) investing activities:		
Investments in Affiliates, net of cash acquired	(144.9)	(147.8)
Return of capital from equity method investments	3.4	0.8
Purchase of fixed assets	(4.9)	(9.1)
Purchase of investment securities	(57.4)	(147.2)
Sale of investment securities	26.0	36.7
Cash flow used in investing activities	(177.8)	(266.6)
Cash flow from (used in) financing activities:		
Borrowings of senior bank debt, senior notes, and junior subordinated notes	200.0	—
Repayments of senior bank debt and junior convertible securities	(26.1)	(60.8)
Repurchases of common stock (net)	(493.0)	(353.1)
Dividends paid on common stock	(1.3)	(1.2)
Distributions to non-controlling interests	(260.9)	(278.0)
Affiliate equity (purchases) / issuances (net)	(47.8)	(21.8)
Subscriptions to consolidated Affiliate sponsored investment products, net of redemptions	33.2	6.5
Other financing items	(29.6)	(70.7)
Cash flow used in financing activities	(625.5)	(779.1)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(1.8)	(37.3)
Net increase (decrease) in cash and cash equivalents	92.2	(285.6)
Cash and cash equivalents at beginning of period	1,039.7	908.5
Effect of deconsolidation of Affiliate sponsored investment products	(3.9)	—
Cash and cash equivalents at end of period	$ 1,128.0	$ 622.9

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

1. Basis of Presentation and Use of Estimates

The Consolidated Financial Statements of Affiliated Managers Group, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for full year financial statements. In the opinion of management, all normal and recurring adjustments considered necessary for a fair statement of the Company's interim financial position and results of operations have been included and all intercompany balances and transactions have been eliminated. Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation. Operating results for interim periods are not necessarily indicative of the results that may be expected for any other period or for the full year. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 includes additional information about its operations, financial position, and accounting policies, and should be read in conjunction with this Quarterly Report on Form 10-Q.

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

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

2. Accounting Standards and Policies

Recently Adopted Accounting Standards

Effective January 1, 2022, the Company adopted Accounting Standard Update ("ASU") 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging - Contracts in Entity's Own Equity using a modified retrospective method. ASU 2020-06 removes the separate liability and equity accounting for the Company's junior convertible securities. Consequently, the Company's junior convertible securities are accounted for wholly as debt and are carried at their face value less unamortized debt issuance costs. The adoption resulted in increases in Debt and beginning Retained Earnings of $101.5 million and $4.5 million, respectively, and decreases in Additional paid-in-capital and Deferred income tax liability (net) of $80.6 million and $25.4 million, respectively. As a result of the adoption of ASU 2020-06, the Company also updated its Earnings Per Share accounting policy as described below.

Earnings Per Share

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

The Company had share-based compensation awards outstanding during the periods presented with vesting provisions subject to certain performance conditions. These awards are excluded from the calculation of Earnings per share (diluted) if the performance condition has not been met as of the end of the reporting period.

The Company has agreements with Affiliate equity holders that provide the Company a conditional right to call and holders a conditional right to put their interests to the Company at certain intervals. These arrangements are presented at their current redemption value as Redeemable non-controlling interests. The Company may settle these interests in cash or, subject to the terms of the applicable agreement, shares of its common stock, or other forms of consideration, at its option. Prior to 2022, the Company excluded any potential dilutive effect from possible share settlements of Redeemable non-controlling interests as the Company currently intends to settle in cash. Upon adoption of ASU 2020-06, the Company must assume the settlement of all of its Redeemable non-controlling interests using the maximum number of shares permitted under its arrangements. Purchases are assumed to occur at the beginning of the reporting period. The Company acquires the rights to the underlying Affiliate equity when purchased, and therefore, the earnings that would be acquired (net of tax) are assumed to increase Net income (controlling interest) in the computation of Earnings per share (diluted). The issuance of shares and the related income acquired are excluded from the calculation if an assumed purchase of Redeemable non-controlling interests would be anti-dilutive to diluted earnings per share.

The Company had junior convertible securities outstanding during the periods presented and is required to apply the if-converted method to these securities in its calculation of Earnings per share (diluted). Under the if-converted method, shares that are issuable upon conversion are deemed outstanding, regardless of whether the securities are contractually convertible into the Company's common stock at that time. For this calculation, the interest expense (net of tax) attributable to these dilutive securities is added back to Net income (controlling interest), reflecting the assumption that the securities have been converted. Issuable shares for these securities and related interest expense are excluded from the calculation if an assumed conversion would be anti-dilutive to diluted earnings per share.

Recent Accounting Developments

In June 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies the guidance in Topic 820 on the fair value measurement of an equity security that is subject to a contractual sale restriction and requires specific disclosures related to such an equity security. The standard is effective for interim and annual periods beginning after December 15, 2023 for the Company, and is effective for interim and annual periods beginning after December 15, 2024 for the Company's Affiliates. The Company is evaluating the impact of this standard, however it currently does not expect the adoption to have a material impact on its Consolidated Financial Statements.

3. Investments in Marketable Securities

Equity Securities

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

	December 31, 2021	September 30, 2022
Cost	$ 59.1	$ 73.8
Unrealized gains	8.1	10.5
Unrealized losses	(2.7)	(10.9)
Fair value	$ 64.5	$ 73.4

As of December 31, 2021 and September 30, 2022, investments in equity securities include consolidated Affiliate sponsored investment products with fair values of $28.9 million and $21.2 million, respectively.

Debt Securities

The following table summarizes the cost, gross unrealized losses, and fair value of investments in U.S. Treasury Notes classified as available-for-sale, which mature in 2024, and other debt securities classified as trading:

	December 31, 2021	September 30, 2022
Cost	$ 14.1	$ 113.4
Unrealized losses	(0.1)	(3.1)
Fair value	$ 14.0	$ 110.3

As of December 31, 2021 and September 30, 2022, investments in debt securities classified as trading include consolidated Affiliate sponsored investment products with fair values of $14.0 million and $10.4 million, respectively.

4. Other Investments

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

Investments Measured at NAV as a Practical Expedient

The Company's Affiliates sponsor investment funds in which the Company and its consolidated Affiliates may make general partner and seed capital investments. These funds operate in partnership form and apply the specialized fair value accounting for investment companies. The Company accounts for its interests in these funds using the equity method of accounting and is required to retain the specialized accounting of the investment companies. Because the funds' investments do not have readily determinable fair values, the Company uses the NAV of these investments as a practical expedient for their fair values. The following table summarizes the fair values of these investments and any related unfunded commitments:

	December 31, 2021		September 30, 2022	
Category of Investment	**Fair Value**	**Unfunded Commitments**	**Fair Value**	**Unfunded Commitments**
Private equity funds[1]	$ 310.2	$ 156.3	$ 285.3	$ 154.7
Investments in other strategies[2]	14.6	—	18.0	—
Total[3]	$ 324.8	$ 156.3	$ 303.3	$ 154.7

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

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

(3) Fair value attributable to the controlling interest was $224.4 million and $209.1 million as of December 31, 2021 and September 30, 2022, respectively.

Investments Without Readily Determinable Fair Values

The Company made an investment in a private corporation where it does not exercise significant influence. Because this investment does not have a readily determinable fair value, the Company has elected to measure this investment at its cost minus impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments in the private corporation. The following table summarizes the cost, cumulative unrealized gains, and carrying amount of investments without readily determinable fair values:

	December 31, 2021	September 30, 2022
Cost	$ 8.5	$ 8.5
Cumulative unrealized gains	41.9	41.9
Carrying amount	$ 50.4	$ 50.4

During the three and nine months ended September 30, 2022, the Company recorded no gains or losses on the underlying investment.

The following table presents the changes in Other investments:

	For the Three Months Ended September 30,					
	2021			2022		
	Measured at NAV as a Practical Expedient	**Without Readily Determinable Fair Values**	**Total**	**Measured at NAV as a Practical Expedient**	**Without Readily Determinable Fair Values**	**Total**
Balance, beginning of period	$ 298.3	$ 13.8	$ 312.1	$ 334.3	$ 50.4	$ 384.7
Net realized and unrealized gains (losses)[1]	18.0	19.7	37.7	(10.4)	—	(10.4)
Purchases and commitments	17.7	—	17.7	11.2	—	11.2
Sales and distributions	(10.4)	—	(10.4)	(31.8)	—	(31.8)
Balance, end of period	$ 323.6	$ 33.5	$ 357.1	$ 303.3	$ 50.4	$ 353.7

	For the Nine Months Ended September 30,					
	2021			2022		
	Measured at NAV as a Practical Expedient	Without Readily Determinable Fair Values	Total	Measured at NAV as a Practical Expedient	Without Readily Determinable Fair Values	Total
Balance, beginning of period	$ 243.4	$ 13.8	$ 257.2	$ 324.8	$ 50.4	$ 375.2
Net realized and unrealized gains (losses)[1]	68.2	19.7	87.9	(8.8)	—	(8.8)
Purchases and commitments	44.6	—	44.6	38.3	—	38.3
Sales and distributions	(32.6)	—	(32.6)	(51.0)	—	(51.0)
Balance, end of period	$ 323.6	$ 33.5	$ 357.1	$ 303.3	$ 50.4	$ 353.7

(1) Recognized in Investment and other income.

5. Fair Value Measurements

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

		Fair Value Measurements		
	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Investments in marketable securities	$ 78.5	$ 64.5	$ 14.0	$ —
Derivative financial instruments[1]	0.9	—	0.9	—
Financial Liabilities[2]				
Contingent payment obligations	$ 40.3	$ —	$ —	$ 40.3
Affiliate equity purchase obligations	12.6	—	—	12.6
Derivative financial instruments	0.8	—	0.8	—

		Fair Value Measurements		
	September 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Investments in marketable securities	$ 183.7	$ 73.4	$ 110.3	$ —
Derivative financial instruments[1]	4.0	—	4.0	—
Financial Liabilities[2]				
Contingent payment obligations	$ 13.9	$ —	$ —	$ 13.9
Affiliate equity purchase obligations	25.4	—	—	25.4
Derivative financial instruments	6.1	—	6.1	—

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

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

Level 3 Financial Liabilities

The following table presents the changes in level 3 liabilities:

	For the Three Months Ended September 30,			
	2021		2022	
	Contingent Payment Obligations	Affiliate Equity Purchase Obligations	Contingent Payment Obligations	Affiliate Equity Purchase Obligations
Balance, beginning of period	$ —	$ 47.9	$ 14.2	$ 25.0
Net realized and unrealized gains[1]	—	—	(0.3)	(1.4)
Purchases and issuances[2]	—	3.3	—	6.6
Settlements and reductions	—	(3.5)	—	(4.8)
Balance, end of period	$ —	$ 47.7	$ 13.9	$ 25.4
Net change in unrealized gains relating to instruments still held at the reporting date	$ —	$ —	$ (0.3)	$ (1.5)

	For the Nine Months Ended September 30,			
	2021		2022	
	Contingent Payment Obligations	Affiliate Equity Purchase Obligations	Contingent Payment Obligations	Affiliate Equity Purchase Obligations
Balance, beginning of period	$ —	$ 22.0	$ 40.3	$ 12.6
Net realized and unrealized losses (gains)[1]	—	2.2	(26.4)	(5.3)
Purchases and issuances[2]	—	86.3	—	55.1
Settlements and reductions	—	(62.8)	—	(37.0)
Balance, end of period	$ —	$ 47.7	$ 13.9	$ 25.4
Net change in unrealized gains relating to instruments still held at the reporting date	$ —	$ —	$ (26.4)	$ (5.3)

(1) Gains and losses resulting from changes to expected payments are included in Other expenses (net) and the accretion of these obligations is included in Interest expense in the Consolidated Statements of Income.

(2) Affiliate equity purchase obligation activity includes transfers from Redeemable non-controlling interests.

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

	Quantitative Information About Level 3 Fair Value Measurements							
			December 31, 2021			September 30, 2022		
	Valuation Techniques	Unobservable Input	Fair Value	Range	Weighted Average[1]	Fair Value	Range	Weighted Average[1]
Contingent payment obligations	Monte Carlo Simulation	Volatility	$ 40.3	13% - 25%	13 %	$ 13.9	17% - 25%	18 %
		Discount rates		1% - 2%	2 %		6%	6 %
Affiliate equity purchase obligations	Discounted cash flow	Growth rates[2]	$ 12.6	(13)% - 7%	2 %	$ 25.4	1% - 8%	3 %
		Discount rates		15% - 18%	15 %		14% - 18%	16 %

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

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

Contingent payment obligations represent the fair value of the expected future settlement amounts related to the Company's investments in its consolidated Affiliates. Changes to assumed volatility and discount rates change the fair value of contingent payment obligations. Increases to the volatility rates used would result in higher fair values, while increases to the discount rates used would result in lower fair values.

Affiliate equity purchase obligations include agreements to purchase Affiliate equity. As of September 30, 2022, there were no changes to growth or discount rates that had a significant impact to Affiliate equity purchase obligations recorded in prior periods.

Other Financial Assets and Liabilities Not Carried at Fair Value

The following table summarizes other financial liabilities not carried at fair value:

	December 31, 2021		September 30, 2022		
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**	**Fair Value Hierarchy**
Senior notes	$ 1,098.0	$ 1,165.6	$ 1,098.5	$ 1,022.9	Level 2
Junior subordinated notes	765.8	809.1	765.9	617.1	Level 2
Junior convertible securities	299.5	461.4	341.7	330.9	Level 2

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

6. Investments in Affiliates and Affiliate Sponsored Investment Products

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

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

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

Investments in Affiliates

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

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

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

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

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

	December 31, 2021		September 30, 2022	
	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss
Affiliates accounted for under the equity method	$ 1,864.7	$ 2,023.0	$ 1,558.4	$ 1,951.3

As of December 31, 2021 and September 30, 2022, the carrying value and maximum exposure to loss for all of the Company's Affiliates accounted for under the equity method was $2,134.4 million and $2,046.8 million, respectively, including Affiliates accounted for under the equity method considered VREs of $111.4 million and $95.5 million, respectively.

Affiliate Sponsored Investment Products

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

Third-party investors in Affiliate sponsored investment products are generally entitled to substantially all of the economics of these products, except for the asset- and performance-based fees earned by the Company's Affiliates or any gains or losses attributable to the Company's or its Affiliates' investments in these products. As a result, the Company generally does not consolidate these products. However, for certain products, the Company's consolidated Affiliates, as the investment manager, have the power to direct the activities of the investment product and have an exposure to the economics of the VIE that is more than insignificant, though generally only for a short period while the product is established and has yet to attract significant other investors. When the products are consolidated, the Company retains the specialized investment company accounting principles of the underlying products, and all of the underlying investments are carried at fair value in Investments in marketable securities in the Consolidated Balance Sheets, with corresponding changes in the investments' fair values included in Investment and other income. Purchases and sales of securities are presented within purchases and sales by consolidated Affiliate sponsored investment products in the Consolidated Statements of Cash Flows, respectively, and the third-party investors' interests are recorded in Redeemable non-controlling interests. When the Company or its consolidated Affiliates no longer control these products, due to a reduction in ownership or other reasons, the products are deconsolidated with only the Company's or its consolidated Affiliate's investment in the product reported from the date of deconsolidation.

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

	December 31, 2021		September 30, 2022	
	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss
Affiliate sponsored investment products	$ 4,958.5	$ 15.7	$ 4,722.0	$ 21.8

7. Debt

The following table summarizes the Company's Debt:

	December 31, 2021	September 30, 2022
Senior bank debt	$ 349.9	$ 349.9
Senior notes	1,093.5	1,094.8
Junior subordinated notes	751.4	751.5
Junior convertible securities	295.6	338.6
Debt	$ 2,490.4	$ 2,534.8

The Company's senior notes, junior subordinated notes, and junior convertible securities are carried at amortized cost. Unamortized discounts and debt issuance costs are presented within the Consolidated Balance Sheets as an adjustment to the carrying value of the associated debt. Effective January 1, 2022, the Company adjusted the carrying value of its junior convertible securities (see Note 2).

Senior Bank Debt

The Company has a $1.25 billion senior unsecured multicurrency revolving credit facility (the "revolver") and a $350.0 million senior unsecured term loan facility (the "term loan" and, together with the revolver, the "credit facilities"). Both the revolver and the term loan mature on October 23, 2026. Subject to certain conditions, the Company may increase the commitments under the revolver by up to an additional $500.0 million and may borrow up to an additional $75.0 million under the term loan. The Company pays interest on any outstanding obligations under the credit facilities at specified rates, currently based either on an applicable LIBOR rate (subject to customary LIBOR succession provisions) or prime rate, plus a marginal rate determined based on its credit rating. As of September 30, 2022, the interest rate for the Company's borrowings under the term loan was LIBOR plus 0.85%. As of December 31, 2021 and September 30, 2022, the Company had no outstanding borrowings under the revolver.

Senior Notes

As of September 30, 2022, the Company had senior notes outstanding. The carrying value of the senior notes is accreted to the principal amount at maturity over the remaining life of the underlying instrument.

The principal terms of the senior notes outstanding as of September 30, 2022 were as follows:

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

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

Junior Subordinated Notes

As of September 30, 2022, the Company had junior subordinated notes outstanding. The carrying value of the junior subordinated notes is accreted to the principal amount at maturity over the remaining life of the underlying instrument.

The principal terms of the junior subordinated notes outstanding as of September 30, 2022 were as follows:

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

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

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

Junior Convertible Securities

Effective January 1, 2022, the Company adopted ASU 2020-06. See Note 2.

As of September 30, 2022, the Company had $341.7 million of principal outstanding in its 5.15% junior convertible trust preferred securities (the "junior convertible securities"), maturing in 2037. The junior convertible securities bear interest at a rate of 5.15% per annum, payable quarterly in cash.

As of December 31, 2021 and September 30, 2022, the unamortized issuance costs related to the junior convertible securities were $3.9 million and $3.1 million, respectively.

The following table presents interest expense recognized in connection with the the junior convertible securities:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Contractual interest expense	$ 5.2	$ 4.4	$ 15.9	$ 13.9
Amortization of debt issuance costs	0.1	0.1	0.2	0.2
Amortization of debt discount	0.8	—	2.4	—
Total	$ 6.1	$ 4.5	$ 18.5	$ 14.1
Effective interest rate	6.00 %	5.21 %	5.99 %	5.21 %

Holders of the junior convertible securities have no rights to put these securities to the Company. The holder may convert the securities to 0.2558 shares of common stock per $50.00 junior convertible security, equivalent to an adjusted conversion price of $195.47 per share. The conversion rate is subject to adjustments as described in the Amended and Restated Declaration of Trust of AMG Capital Trust II and the related indenture, both dated October 17, 2007 and filed as exhibits to the Company's most recent Annual Report on Form 10-K. Upon conversion, holders will receive cash or shares of the Company's common stock, or a combination thereof, at the Company's election. The Company may redeem the junior convertible securities if the closing price of its common stock for 20 trading days in a period of 30 consecutive trading days exceeds 130% of the then prevailing conversion price, and may also repurchase junior convertible securities in the open market or in privately negotiated transactions from time to time at management's discretion. During the nine months ended September 30, 2021 and 2022, the Company repurchased a portion of its junior convertible securities for a purchase price of $28.7 million and $60.9 million, respectively, and as a result of these repurchases, the Company reduced its Deferred income tax liability (net) by $6.2 million and $11.7 million, respectively.

8. Equity Distribution Program

In the second quarter of 2022, the Company entered into equity distribution and forward equity agreements with several major securities firms under which it may, from time to time, issue and sell shares of its common stock (immediately or on a forward basis) having an aggregate sales price of up to $500.0 million (the "equity distribution program"). This equity distribution program superseded and replaced the Company's prior equity distribution program. As of September 30, 2022, no sales had occurred under the equity distribution program.

9. Commitments and Contingencies

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

The Company has committed to co-invest in certain Affiliate sponsored investment products. As of September 30, 2022, these unfunded commitments were $154.7 million and may be called in future periods.

As of September 30, 2022, the Company was obligated to make deferred payments and was contingently liable to make payments in connection with certain of its consolidated Affiliates as follows:

				Earliest Payable			
	Controlling Interest	Co-Investor	Total	2022	2023	2024	2025
Deferred payment obligations[1]	$ 215.2	$ 49.8	$ 265.0	$ 200.0	$ 21.7	$ 43.3	$ —
Contingent payment obligations[2]	10.8	3.1	13.9	—	—	12.6	1.3

(1) As of November 7, 2022, the Company's deferred payment obligations related to certain of its consolidated Affiliates were $65.0 million, all of which is attributable to the controlling interest and payable from 2023 through 2024.

(2) Fair value as of September 30, 2022. The Company is contingently liable to make maximum contingent payments of up to $110.0 million ($24.9 million attributable to the co-investor), of which $100.0 million and $10.0 million may become payable in 2024 and 2025, respectively.

The Company had liabilities for deferred and contingent payment obligations related to certain of its investments in Affiliates accounted for under the equity method. As of September 30, 2022, the Company was obligated to make payments of up to $68.0 million, all of which is payable in 2022. As of November 7, 2022, the Company's deferred payment obligations related to certain of its Affiliates accounted for under the equity method were $187.7 million, all of which is payable in 2022. Liabilities for deferred and contingent payments are included in Other liabilities.

As of September 30, 2022, the Company was contingently liable to make payments of $147.5 million related to the achievement of specified financial targets by certain of its Affiliates accounted for under the equity method, all of which may become payable from 2023 through 2029. As of September 30, 2022, the Company expected to make payments of approximately $13 million. In the event certain financial targets are not met at one of the Company's Affiliates accounted for under the equity method, the Company may receive payments of up to $12.5 million and also has the option to reduce its ownership interest and receive an incremental payment of $25.0 million.

Affiliate equity interests provide holders at consolidated Affiliates with a conditional right to put their interests to the Company over time. See Note 15.

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

10. Goodwill and Acquired Client Relationships

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

	Goodwill
Balance, as of December 31, 2021	$ 2,689.2
Foreign currency translation	(61.3)
Balance, as of September 30, 2022	$ 2,627.9

As of September 30, 2022, the Company completed its annual impairment assessment on goodwill and no impairment was indicated.

	Acquired Client Relationships (Net)				
	Definite-lived			Indefinite-lived	Total
	Gross Book Value	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Balance, as of December 31, 2021	$ 1,364.2	$ (1,028.1)	$ 336.1	$ 1,630.3	$ 1,966.4
Intangible amortization and impairments	—	(36.9)	(36.9)	(2.5)	(39.4)
Foreign currency translation	(12.3)	10.1	(2.2)	(60.7)	(62.9)
Balance, as of September 30, 2022	$ 1,351.9	$ (1,054.9)	$ 297.0	$ 1,567.1	$ 1,864.1

Definite-lived acquired client relationships at the Company's consolidated Affiliates are amortized over their expected period of economic benefit. The Company recorded amortization expense within Intangible amortization and impairments in the Consolidated Statements of Income for these relationships of $8.9 million and $25.3 million for the three and nine months ended September 30, 2021, respectively, and $12.2 million and $36.9 million for the three and nine months ended September 30, 2022, respectively. Based on relationships existing as of September 30, 2022, the Company estimates that its consolidated amortization expense will be approximately $12 million for the remainder of 2022, approximately $50 million in 2023, and approximately $35 million in each of 2024, 2025, 2026, and 2027.

As of September 30, 2022, no impairments of indefinite-lived acquired client relationships were indicated.

11. Equity Method Investments in Affiliates

In the first quarter of 2022 the Company completed an additional investment in Systematica Investments ("Systematica"), an innovative technology-driven systematic manager. The Company expects the majority of the consideration paid for Systematica will be deductible for U.S. tax purposes over a 15-year life. The Company's purchase price allocation for the investment was measured using a discounted cash flow analysis that included assumptions of expected market performance, net client cash flows, and discount rates.

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

Equity method investments in Affiliates (net) consisted of the following:

	December 31, 2021	September 30, 2022
Goodwill	$ 1,264.4	$ 1,330.9
Definite-lived acquired client relationships (net)	470.1	462.3
Indefinite-lived acquired client relationships (net)	174.4	171.4
Undistributed earnings and tangible capital	225.5	82.2
Equity method investments in Affiliates (net)	$ 2,134.4	$ 2,046.8

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

	Equity Method Investments in Affiliates (Net)
Balance, as of December 31, 2021	$ 2,134.4
Investments in Affiliates	182.8
Earnings	213.2
Intangible amortization and impairments	(89.3)
Distributions of earnings	(340.9)
Return of capital	(0.8)
Foreign currency translation	(44.1)
Other	(8.5)
Balance, as of September 30, 2022	$ 2,046.8

Definite-lived acquired client relationships at the Company's Affiliates accounted for under the equity method are amortized over their expected period of economic benefit. The Company recognized amortization expense for these relationships of $29.3 million and $93.8 million for the three and nine months ended September 30, 2021, respectively, and $31.4 million and $89.3 million for the three and nine months ended September 30, 2022, respectively. Based on relationships existing as of September 30, 2022, the Company estimates the amortization expense attributable to its Affiliates will be approximately $25 million for the remainder of 2022, approximately $80 million in 2023, approximately $50 million in each of 2024 and 2025, and approximately $40 million in each of 2026 and 2027.

The Company had liabilities for deferred and contingent payment obligations related to certain of its investments in Affiliates accounted for under the equity method. See Note 9.

The Company had 21 Affiliates accounted for under the equity method as of December 31, 2021 and September 30, 2022. The majority of these Affiliates are partnerships with structured interests that define how the Company will participate in Affiliate earnings, typically based upon a fixed percentage of revenue reduced by, in some cases, certain agreed-upon expenses. The partnership agreements do not define a fixed percentage for the Company's ownership of the equity of the Affiliate. These percentages would be subject to a separate future negotiation if an Affiliate were to be sold or liquidated.

In the first quarter of 2022, the Company and other parties entered into a Securities Purchase and Merger Agreement with EQT AB ("EQT"), a public company listed on Nasdaq Stockholm (EQT.ST), under which the Company and each of the other owners agreed to sell their respective equity interests in Baring Private Equity Asia ("BPEA"), an Affiliate accounted for by the Company under the equity method, to EQT, in connection with the announced strategic combination of BPEA and EQT. Pursuant to the terms of the agreement, the Company was entitled to receive $240.0 million in cash and 28.68 million EQT ordinary shares (25% of which are subject to a six-month lock-up), and to retain a portion of future carry in certain existing funds. The Company acquired its interest in BPEA for $187.5 million in 2016 and, as of September 30, 2022, its carrying value was $132.7 million. The Company's gain on the transaction was taxable at closing, which occurred in October 2022. BPEA will be included in the Company's results through the closing date.

In October 2022, the Company made a minority investment in a private markets firm specializing in communications infrastructure with approximately $4 billion in assets under management. The financial results will be recognized in the Consolidated Financial Statements one quarter in arrears.

12. Related Party Transactions

A prior owner of one of the Company's consolidated Affiliates retains interests in certain of the Affiliate's private equity partnerships and, as a result, is a related party of the Company. The prior owner's interests are presented within Other liabilities and were $28.5 million and $19.0 million as of December 31, 2021 and September 30, 2022, respectively.

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

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

13. Share-Based Compensation

The following table presents share-based compensation expense:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Share-based compensation	$ 21.2	$ 15.2	$ 44.5	$ 45.0
Tax benefit	3.5	2.0	7.8	5.6

As of December 31, 2021, the Company had unrecognized share-based compensation expense of $70.9 million. As of September 30, 2022, the Company had unrecognized share-based compensation expense of $76.7 million, which will be recognized over a weighted average period of approximately two years (assuming no forfeitures).

Restricted Stock

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

	Restricted Stock Units	Weighted Average Grant Date Value
Unvested units—December 31, 2021	1.1	$ 95.03
Units granted	0.4	129.46
Units vested	(0.4)	99.38
Units forfeited	(0.0)	97.83
Performance condition changes	0.0	139.30
Unvested units—September 30, 2022	1.1	105.87

For the nine months ended September 30, 2021 and 2022, the Company granted restricted stock units with fair values of $27.8 million and $47.1 million, respectively. These restricted stock units were valued based on the closing price of the Company's common stock on the grant date and the number of shares expected to vest. Restricted stock units containing vesting conditions generally require service over a period of three years to four years and may also require the satisfaction of certain performance conditions. For awards with performance conditions, the number of restricted stock units expected to vest may change over time depending upon the performance level achieved.

Stock Options

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

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Unexercised options outstanding—December 31, 2021	3.2	$ 77.39	
Options granted	0.0	129.17	
Options exercised	(0.0)	105.90	
Options forfeited	(0.0)	166.15	
Options expired	(0.0)	207.63	
Performance condition changes	0.0	139.31	
Unexercised options outstanding—September 30, 2022	3.2	76.91	3.9
Exercisable at September 30, 2022	0.1	121.58	2.2

For the nine months ended September 30, 2021 and 2022, the Company granted stock options with fair values of $2.0 million and $1.8 million. respectively. Stock options generally vest over a period of three years to five years and expire seven years after the grant date. All stock options have been granted with exercise prices equal to the closing price of the Company's common stock on the grant date. Substantially all of the Company's outstanding stock options contain both service and performance conditions. For awards with performance conditions, the number of stock options expected to vest may change over time depending upon the performance level achieved.

The weighted average fair value of options granted was $54.19 and $47.84, per option, for the nine months ended September 30, 2021 and 2022, respectively. The Company uses the Black-Scholes option pricing model to determine the fair value of options. The weighted average grant date assumptions used to estimate the fair value of stock options granted were as follows:

	For the Nine Months Ended September 30,	
	2021	2022
Dividend yield	0.0 %	0.0 %
Expected volatility	37.1 %	36.8 %
Risk-free interest rate	1.0 %	1.7 %
Expected life of options (in years)	5.7	5.7
Forfeiture rate	— %	— %

14. Redeemable Non-Controlling Interests

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

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

	Redeemable Non-controlling Interests
Balance, as of December 31, 2021[(1)]	$ 673.9
Decrease attributable to consolidated Affiliate sponsored investment products	(6.3)
Transfers to Other liabilities	(39.9)
Transfers from Non-controlling interests	1.8
Changes in redemption value	(142.9)
Balance, as of September 30, 2022[(1)]	$ 486.6

(1) As of December 31, 2021 and September 30, 2022, Redeemable non-controlling interests include consolidated Affiliate sponsored investment products primarily attributable to third-party investors of $25.0 million and $18.7 million, respectively.

15. Affiliate Equity

Affiliate equity interests are allocated income in a manner that is consistent with the structured partnership interests in place at the respective Affiliate. The Company's Affiliates generally pay quarterly distributions to Affiliate equity holders. Distributions paid to non-controlling interest Affiliate equity holders were $260.9 million and $278.0 million for the nine months ended September 30, 2021 and 2022, respectively.

The Company periodically purchases Affiliate equity from and issues Affiliate equity to the Company's consolidated Affiliate partners and other parties under agreements that provide the Company a conditional right to call and Affiliate equity holders the conditional right to put their Affiliate equity interests to the Company at certain intervals. The Company has the right to settle a portion of these purchases in shares of its common stock. For Affiliates accounted for under the equity method, the Company does not typically have such put and call arrangements. For the nine months ended September 30, 2021 and 2022, the amount of cash paid for purchases was $65.9 million and $37.0 million, respectively. For the nine months ended September 30, 2021 and 2022, the total amount of cash received for issuances was $18.1 million and $15.2 million, respectively.

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

The following table presents Affiliate equity compensation expense:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Controlling interest	$ 2.8	$ 0.5	$ 9.9	$ 0.8
Non-controlling interests	8.9	8.5	36.5	35.1
Total	$ 11.7	$ 9.0	$ 46.4	$ 35.9

The following table presents unrecognized Affiliate equity compensation expense:

	Controlling Interest	Remaining Life	Non-controlling Interests	Remaining Life
December 31, 2021	$ 41.9	6 years	$ 294.1	7 years
September 30, 2022	34.2	5 years	297.1	7 years

The Company records amounts receivable from, and payable to, Affiliate equity holders in connection with the transfer of Affiliate equity interests that have not settled at the end of the period. The total receivable was $9.0 million and $9.7 million as of December 31, 2021 and September 30, 2022, respectively, and was included in Other assets. The total payable was $12.6 million and $25.4 million as of December 31, 2021 and September 30, 2022, respectively, and was included in Other liabilities.

Effects of Changes in the Company's Ownership in Affiliates

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Net income (controlling interest)	$ 128.4	$ 112.6	$ 387.3	$ 368.0
Decrease in controlling interest paid-in capital from Affiliate equity issuances	—	(5.1)	(17.5)	(0.2)
Decrease in controlling interest paid-in capital from Affiliate equity purchases	(1.2)	(2.3)	(57.2)	(32.2)
Net income (controlling interest) including the net impact of Affiliate equity transactions	$ 127.2	$ 105.2	$ 312.6	$ 335.6

16. Income Taxes

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

The following table presents the consolidated provision for income taxes:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Controlling interest:				
Current taxes	$ 23.2	$ 17.9	$ 71.6	$ 73.3
Intangible-related deferred taxes	12.0	12.7	51.9	41.2
Other deferred taxes	7.4	4.2	29.7	6.6
Total controlling interest	42.6	34.8	153.2	121.1
Non-controlling interests:				
Current taxes	$ 2.3	$ 2.0	$ 7.2	$ 9.4
Deferred taxes	—	—	6.0	—
Total non-controlling interests	2.3	2.0	13.2	9.4
Income tax expense	$ 44.9	$ 36.8	$ 166.4	$ 130.5
Income before income taxes (controlling interest)	$ 171.0	$ 147.4	$ 540.5	$ 489.1
Effective tax rate (controlling interest)[(1)]	24.9 %	23.6 %	28.3 %	24.8 %

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

The Company's effective tax rate (controlling interest) for the three months ended September 30, 2021 was not meaningfully different than the marginal tax rate of 24.5%. The Company's effective tax rate (controlling interest) for the nine months ended September 30, 2021 was higher than the marginal tax rate of 24.5%, primarily due to a $19.2 million deferred tax expense resulting from an increase in the UK tax rate enacted during the second quarter of 2021.

The Company's effective tax rate (controlling interest) for the three months ended September 30, 2022 was lower than the marginal tax rate of 24.5%, primarily due to a $3.3 million tax benefit related to a change in the Company's estimated foreign tax expense related to 2021. The Company's effective tax rate (controlling interest) for the nine months ended September 30, 2022 was not meaningfully different than the marginal tax rate of 24.5%.

17. Earnings Per Share

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Numerator				
Net income (controlling interest)	$ 128.4	$ 112.6	$ 387.3	$ 368.0
Income from hypothetical settlement of Redeemable non-controlling interests, net of taxes	—	5.8	—	43.4
Interest expense on junior convertible securities, net of taxes	4.6	3.4	13.9	10.6
Net income (controlling interest), as adjusted	$ 133.0	$ 121.8	$ 401.2	$ 422.0
Denominator				
Average shares outstanding (basic)	41.1	38.2	41.8	38.8
Effect of dilutive instruments:				
Stock options and restricted stock units	1.1	1.3	0.9	1.4
Hypothetical issuance of shares to settle Redeemable non-controlling interests	—	2.3	—	5.7
Junior convertible securities	2.1	1.7	2.1	1.9
Average shares outstanding (diluted)	44.3	43.5	44.8	47.8

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2022	2021	2022
Stock options and restricted stock units	0.1	0.2	0.2	0.2
Shares issuable to settle Redeemable non-controlling interests	—	4.3	—	2.0

For the three and nine months ended September 30, 2022, under its authorized share repurchase programs, the Company repurchased 0.6 million and 2.5 million shares of its common stock, respectively, at an average price per share of $125.13 and $135.73, respectively.

18. Comprehensive Income

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

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

	For the Three Months Ended September 30,					
	2021			2022		
	Pre-Tax	Tax Expense	Net of Tax	Pre-Tax	Tax Benefit	Net of Tax
Foreign currency translation gain (loss)	$ (19.0)	$ (0.7)	$ (19.7)	$ (91.7)	$ 4.9	$ (86.8)
Change in net realized and unrealized gain (loss) on derivative financial instruments	(1.9)	(0.0)	(1.9)	(1.6)	0.0	(1.6)
Other comprehensive income (loss)	$ (20.9)	$ (0.7)	$ (21.6)	$ (93.3)	$ 4.9	$ (88.4)

	For the Nine Months Ended September 30,					
	2021			2022		
	Pre-Tax	Tax Expense	Net of Tax	Pre-Tax	Tax Benefit	Net of Tax
Foreign currency translation gain (loss)	$ 18.6	$ (6.9)	$ 11.7	$ (174.8)	$ 2.8	$ (172.0)
Change in net realized and unrealized gain (loss) on derivative financial instruments	(0.9)	(0.1)	(1.0)	(2.2)	0.0	(2.2)
Other comprehensive income (loss)	$ 17.7	$ (7.0)	$ 10.7	$ (177.0)	$ 2.8	$ (174.2)

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

	Foreign Currency Translation Adjustment	Realized and Unrealized Gains (Losses) on Derivative Financial Instruments	Total
Balance, as of December 31, 2021	$ (155.1)	$ 0.1	$ (155.0)
Other comprehensive income (loss) before reclassifications	(172.0)	0.0	(172.0)
Amounts reclassified	—	(2.2)	(2.2)
Net other comprehensive loss	(172.0)	(2.2)	(174.2)
Balance, as of September 30, 2022	$ (327.1)	$ (2.1)	$ (329.2)

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

Forward-Looking Statements

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

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

Executive Overview

We are a leading partner to independent active investment management firms globally. Our strategy is to generate long-term value by investing in a diverse array of high-quality independent partner-owned firms, referred to as "Affiliates," through a proven partnership approach, and allocating resources across our unique opportunity set to the areas of highest growth and return. Our innovative partnership approach enables each Affiliate's management team to own significant equity in their firm while maintaining operational and investment autonomy. In addition, we offer our Affiliates growth capital, global distribution, and other strategic value-added capabilities, which enhance the long-term growth of these independent businesses, and enable them to align equity incentives across generations of principals to build enduring franchises. As of September 30, 2022, our aggregate assets under management were approximately $645 billion across a broad range of return-oriented strategies.

In the first quarter of 2022, we completed an additional investment in Systematica Investments ("Systematica"), an innovative technology-driven systematic manager. Following the close of the transaction, our investment continues to be accounted for under the equity method of accounting and Systematica partners continue to hold a majority of the equity of the business and direct its day-to-day operations.

In the first quarter of 2022, we and other parties entered into a Securities Purchase and Merger Agreement with EQT AB ("EQT"), a public company listed on Nasdaq Stockholm (EQT.ST), under which we and each of the other owners agreed to sell our respective equity interests in Baring Private Equity Asia ("BPEA"), our Affiliate, in connection with the announced strategic combination of BPEA and EQT. Pursuant to the terms of the agreement, we were entitled to receive $240.0 million in cash and 28.68 million EQT ordinary shares (25% of which are subject to a six-month lock-up), and to retain a portion of future carry in certain existing funds. We acquired our interest in BPEA for $187.5 million in 2016. Our gain on the transaction was taxable at closing, which occurred in October 2022. BPEA will be included in our results through the closing date.

In October 2022, we made a minority investment in a private markets firm specializing in communications infrastructure with approximately $4 billion in assets under management. The financial results will be recognized in the Consolidated Financial Statements one quarter in arrears. We will account for this investment under the equity method of accounting.

Operating Performance Measures

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

The following table presents our key aggregate operating performance measures:

	As of and for the Three Months Ended September 30,			As of and for the Nine Months Ended September 30,		
(in billions, except as noted)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Assets under management	$ 747.8	$ 644.6	(14)%	$ 747.8	$ 644.6	(14) %
Average assets under management	751.8	680.1	(10)%	745.8	731.8	(2) %
Aggregate fees (in millions)	1,076.2	1,165.5	8 %	3,676.2	3,675.6	(0)%

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

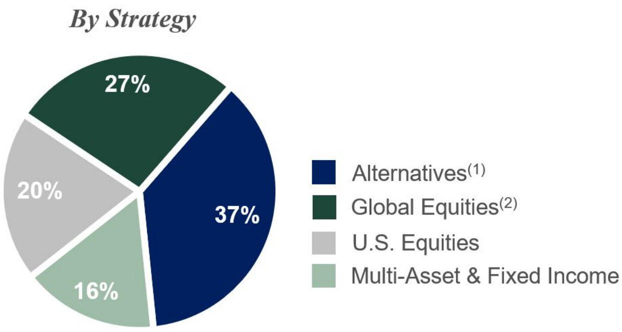
Aggregate fees consist of the total asset- and performance-based fees earned by all of our consolidated and equity method Affiliates. For certain of our Affiliates accounted for under the equity method, we report aggregate fees and the Affiliate's financial results in our Consolidated Financial Statements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

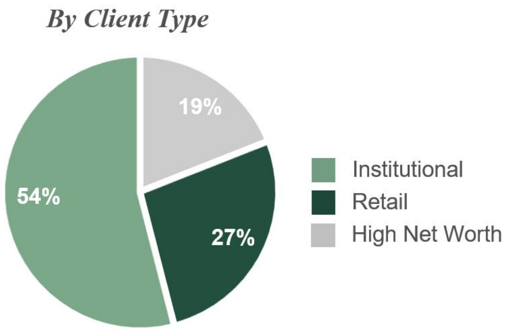
Assets Under Management

Through our Affiliates, we provide a comprehensive and diverse range of return-oriented strategies designed to assist institutional, retail, and high net worth clients worldwide in achieving their investment objectives. We continue to see demand for return-oriented strategies, and have been experiencing net inflows in areas of secular growth, including private markets, liquid alternatives, Asia, wealth management, and ESG. In addition, investor demand for passively-managed products, including exchange traded funds, has continued, and we have experienced outflows in certain equity strategies consistent with this industry-wide trend. However, we believe the best performing and most differentiated active equity managers (whether global-, regional-, or country-specific) will continue to have significant opportunities to grow as a result of performance and client demand trends. We believe we are well-positioned to benefit from these trends. In some cases, if product returns exceed certain performance thresholds, we will participate in performance-based fees; however, we do not anticipate these fees will be a significant component of our Consolidated revenue as these fees are predominantly earned by our Affiliates accounted for under the equity method. We also anticipate that independent investment firms will continue to seek access to an evolving range of partnership solutions, and that we have a significant opportunity to invest in outstanding firms across the global asset management industry.

The following charts present information regarding the composition of our assets under management by strategy and client type as of September 30, 2022:

Assets Under Management





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(1) Alternatives include illiquid alternative strategies, which accounted for 19% of our assets under management as of September 30, 2022.

(2) Global equities include emerging markets strategies, which accounted for 4% of our assets under management as of September 30, 2022.

The following tables present changes in our assets under management by strategy and client type for the three and nine months ended September 30, 2022:

By Strategy - Quarter to Date

(in billions)	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
June 30, 2022	$ 243.8	$ 201.1	$ 134.3	$ 111.7	$ 690.9
Client cash inflows and commitments	7.7	4.5	5.0	5.7	22.9
Client cash outflows	(5.5)	(12.2)	(6.4)	(7.6)	(31.7)
Net client cash flows	2.2	(7.7)	(1.4)	(1.9)	(8.8)
Market changes	(0.7)	(11.5)	(5.9)	(3.1)	(21.2)
Foreign exchange[1]	(3.3)	(5.8)	(1.2)	(1.3)	(11.6)
Realizations and distributions (net)	(4.6)	(0.0)	(0.0)	(0.1)	(4.7)
Other[2]	(0.0)	0.1	(0.1)	(0.0)	(0.0)
September 30, 2022	$ 237.4	$ 176.2	$ 125.7	$ 105.3	$ 644.6

By Client Type - Quarter to Date

(in billions)	Institutional	Retail	High Net Worth	Total
June 30, 2022	$ 368.0	$ 194.6	$ 128.3	$ 690.9
Client cash inflows and commitments	8.9	8.0	6.0	22.9
Client cash outflows	(13.2)	(11.5)	(7.0)	(31.7)
Net client cash flows	(4.3)	(3.5)	(1.0)	(8.8)
Market changes	(7.7)	(9.0)	(4.5)	(21.2)
Foreign exchange[1]	(6.2)	(4.5)	(0.9)	(11.6)
Realizations and distributions (net)	(4.6)	(0.0)	(0.1)	(4.7)
Other[2]	0.1	(0.1)	0.0	(0.0)
September 30, 2022	$ 345.3	$ 177.5	$ 121.8	$ 644.6

By Strategy - Year to Date

	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
December 31, 2021	$ 238.2	$ 277.5	$ 170.7	$ 127.4	$ 813.8
Client cash inflows and commitments	30.0	16.0	19.1	17.3	82.4
Client cash outflows	(15.1)	(45.2)	(24.8)	(19.8)	(104.9)
Net client cash flows	14.9	(29.2)	(5.7)	(2.5)	(22.5)
Market changes	0.5	(60.2)	(37.2)	(17.1)	(114.0)
Foreign exchange[(1)]	(7.3)	(11.8)	(2.1)	(2.0)	(23.2)
Realizations and distributions (net)	(8.9)	(0.1)	(0.0)	(0.2)	(9.2)
Other[(2)]	0.0	(0.0)	(0.0)	(0.3)	(0.3)
September 30, 2022	$ 237.4	$ 176.2	$ 125.7	$ 105.3	$ 644.6

By Client Type - Year to Date

	Institutional	Retail	High Net Worth	Total
December 31, 2021	$ 413.8	$ 252.5	$ 147.5	$ 813.8
Client cash inflows and commitments	32.9	30.8	18.7	82.4
Client cash outflows	(42.0)	(43.0)	(19.9)	(104.9)
Net client cash flows	(9.1)	(12.2)	(1.2)	(22.5)
Market changes	(40.5)	(49.7)	(23.8)	(114.0)
Foreign exchange[(1)]	(11.9)	(10.1)	(1.2)	(23.2)
Realizations and distributions (net)	(8.5)	(0.3)	(0.4)	(9.2)
Other[(2)]	1.5	(2.7)	0.9	(0.3)
September 30, 2022	$ 345.3	$ 177.5	$ 121.8	$ 644.6

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

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

The following tables present performance of our investment strategies, where available, measured by the percentage of assets under management ahead of their relevant benchmark:

	AUM Weight	% of AUM Ahead of Benchmark[(1)]		
		3-year	5-year	10-year
Liquid alternatives[(2)]	18 %	72 %	74 %	83 %
Global equity[(2)]	27 %	46 %	32 %	63 %
U.S. equity[(2)]	20 %	51 %	77 %	80 %
Multi-asset and fixed income[(3)]	16 %	N/A	N/A	N/A

	AUM Weight	% of AUM Ahead of Benchmark[(1)]	
		IRR Latest Vintage	IRR Last Three Vintages
Illiquid alternatives[(4)]	19 %	89 %	86 %

(1) Past performance is not indicative of future results. Performance and AUM information is as of September 30, 2022 and is based on data available at the time of calculation. Product returns are sourced from Affiliates while benchmark returns are generally sourced via third-party subscriptions.

(2) For liquid alternative, global equity, and U.S. equity products, performance is reported as the percentage of assets that have outperformed benchmarks across the indicated periods, and excludes market-hedging products. For purposes of investment

performance comparisons, products are an aggregation of portfolios (separate accounts, investment funds, and other products) that each represent a particular investment objective, using the most representative portfolio for the performance comparison. Performance is presented for products with a three-, five-, and/or ten-year track record and is measured on a consistent basis relative to the most appropriate benchmarks. Benchmark appropriateness is generally reviewed annually to reflect any changes in how underlying portfolios/mandates are managed. Product and benchmark performance is reflected as total return and is annualized. Reported product performance is gross-of-fees for institutional and high-net-worth separate accounts, and generally net-of-fees across retail funds and other commingled vehicles such as hedge funds.

(3) Multi-asset and fixed income products are mainly our wealth management and solutions offerings. These investment products are primarily customized toward wealth preservation, estate planning, and liability and tax management, and therefore are typically not measured against a benchmark.

(4) For illiquid alternative products, performance is reported as the percentage of assets that have outperformed benchmarks on a since-inception internal rate of return basis. Benchmarks utilized include a combination of public market equivalents, peer medians, and absolute returns where benchmarks are not available. For purposes of investment performance comparisons, the latest vintage comparison includes the most recent vehicles and strategies (traditional long-duration investment funds, customized vehicles, and other evergreen vehicles and product structures) where meaningful performance is available and calculable. In order to illustrate the performance of our illiquid product category over a longer period of history, the last three vintages comparison incorporates the latest vintage vehicles and the prior two vintages for traditional long-duration investment funds, as well as additional vehicles and strategies launched during the equivalent time period as the last three vintages of traditional long duration investment funds. Due to the nature of these investments and vehicles, reported performance is typically on a three- to six-month lag basis.

Aggregate Fees

Aggregate fees consist of asset- and performance-based fees of our consolidated and equity method Affiliates. Asset-based fees include advisory and other fees earned by our Affiliates for services provided to their clients and are typically determined as a percentage of the value of a client’s assets under management, generally inclusive of uncalled commitments. Performance-based fees are based on investment performance, typically on an absolute basis or relative to a benchmark or a hurdle rate, and are generally recognized when it is improbable that there will be a significant reversal in the amount of revenue recognized. Performance-based fees are generally billed less frequently than asset-based fees, and although performance-based fees inherently depend on investment performance and will vary from period to period, we anticipate performance-based fees will be a recurring component of our aggregate fees. As of September 30, 2022, approximately 30% of our total assets under management could potentially earn performance-based fees. These percentages were approximately 13% and 53% of our assets under management for our consolidated Affiliates and Affiliates accounted for under the equity method, respectively.

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

Aggregate fees were $1,165.5 million for the three months ended September 30, 2022, an increase of $89.3 million or 8% as compared to the three months ended September 30, 2021. The increase in our aggregate fees was due to a $105.1 million or 10% increase from performance-based fees primarily in our liquid and illiquid alternative strategies, partially offset by a $15.8 million or 2% decrease from asset-based fees. The decrease in asset-based fees was due to a decrease in average assets under management, primarily in our global equity strategies, driven by equity markets, offset by changes in the composition of our assets under management.

Aggregate fees were $3,675.6 million for the nine months ended September 30, 2022, a decrease of $0.6 million as compared to the nine months ended September 30, 2021. The decrease in our aggregate fees was primarily due to a $77.3 million or 2% decrease from performance-based fees, primarily in our liquid alternative strategies, offset by a $76.7 million or 2% increase from asset-based fees.

Financial and Supplemental Financial Performance Measures

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

(in millions)	For the Three Months Ended September 30, 2021	2022	% Change	For the Nine Months Ended September 30, 2021	2022	% Change
Net income (controlling interest)	$ 128.4	$ 112.6	(12)%	$ 387.3	$ 368.0	(5)%
Adjusted EBITDA (controlling interest)[1]	227.7	220.4	(3)%	701.8	689.1	(2)%
Economic net income (controlling interest)[1]	168.5	166.4	(1)%	524.5	516.9	(1)%

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

Adjusted EBITDA (controlling interest) is an important supplemental financial performance measure for management as it provides a comprehensive view of our share of the financial performance of our business. For the three months ended September 30, 2022, our Adjusted EBITDA (controlling interest) decreased $7.3 million or 3%, primarily due to net gains on strategic investments in the three months ended September 30, 2021, which did not reoccur.

For the nine months ended September 30, 2022, our Adjusted EBITDA (controlling interest) decreased $12.7 million or 2%, primarily due to net gains on strategic investments in the three months ended September 30, 2021, which did not reoccur, and the recognition of performance fees in which we hold less of an economic interest.

For the three months ended September 30, 2022, our Net income (controlling interest) decreased $15.8 million or 12%. This decrease was primarily due to a $27.5 million decrease in Investment and other income attributable to the controlling interest, partially offset by an $8.9 million increase in Equity method income (net).

For the nine months ended September 30, 2022, our Net income (controlling interest) decreased $19.3 million or 5%. This decrease was primarily due to a $58.3 million decrease in Investment and other income attributable to the controlling interest, partially offset by a $32.1 million decrease in Income tax expense attributable to the controlling interest.

We believe Economic net income (controlling interest) is an important supplemental financial performance measure because it represents our performance before non-cash expenses relating to the acquisition of interests in Affiliates and improves comparability of performance between periods. For the three months ended September 30, 2022, our Economic net income (controlling interest) decreased $2.1 million or 1%, primarily due to a $7.3 million decrease in Adjusted EBITDA (controlling interest).

For the nine months ended September 30, 2022, our Economic net income (controlling interest) decreased $7.6 million or 1%, primarily due to a $12.7 million decrease in Adjusted EBITDA (controlling interest).

Results of Operations

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

Consolidated Revenue

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

(in millions, except as noted)	For the Three Months Ended September 30, 2021	2022	% Change	For the Nine Months Ended September 30, 2021	2022	% Change
Consolidated Affiliate average assets under management (in billions)	$ 435.9	$ 397.8	(9)%	$ 431.1	$ 434.1	1 %
Consolidated revenue	$ 575.2	$ 578.6	1 %	$ 1,720.6	$ 1,789.9	4 %

Our Consolidated revenue increased $3.4 million or 1% for the three months ended September 30, 2022, primarily due to a $48.1 million or 8% increase from performance-based fees, primarily in our illiquid alternative strategies, offset by a $44.7 million or 7% decrease from asset-based fees. The decrease in asset-based fees was due to a decrease in consolidated Affiliate average assets under management, primarily in our global equity strategies, driven by equity markets.

Our Consolidated revenue increased $69.3 million or 4% for the nine months ended September 30, 2022, due to a $90.1 million or 5% increase from performance-based fees, primarily in our illiquid alternative strategies, partially offset by a $20.8 million or 1% decrease from asset-based fees.

Consolidated Expenses

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

The following table presents our Consolidated expenses:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	2021	2022	% Change	2021	2022	% Change
Compensation and related expenses	$ 256.4	$ 273.8	7 %	$ 752.2	$ 797.0	6 %
Selling, general and administrative	82.9	93.2	12 %	250.3	275.7	10 %
Intangible amortization and impairments	8.9	14.4	62 %	25.3	39.4	56 %
Interest expense	28.5	28.3	(1)%	82.8	84.7	2 %
Depreciation and other amortization	4.0	3.8	(5)%	12.5	11.9	(5)%
Other expenses (net)	14.6	11.9	(18)%	40.6	12.3	(70)%
Total consolidated expenses	$ 395.3	$ 425.4	8 %	$ 1,163.7	$ 1,221.0	5 %

Compensation and related expenses increased $17.4 million or 7% for the three months ended September 30, 2022, primarily due to a $61.3 million increase in compensation as a result of investments in new Affiliates in the fourth quarter of 2021 and a $2.7 million increase in Affiliate equity compensation expense. These increases were partially offset by a $40.6 million decrease in compensation correlated to the decrease in Consolidated revenue, excluding the impact of new Affiliates, and a $6.0 million decrease in share-based compensation expense.

Compensation and related expenses increased $44.8 million or 6% for the nine months ended September 30, 2022, primarily due to a $125.1 million increase in compensation as a result of investments in new Affiliates in the fourth quarter of 2021. This increase was partially offset by a $70.3 million decrease in compensation correlated to the decrease in Consolidated revenue and a $10.5 million decrease in Affiliate equity compensation expense.

Selling, general and administrative expenses increased $10.3 million or 12% for the three months ended September 30, 2022, primarily due to a $9.1 million increase in distribution and investment-related expenses principally as a result of investments in new Affiliates in the fourth quarter of 2021.

Selling, general and administrative expenses increased $25.4 million or 10% for the nine months ended September 30, 2022, primarily due to a $25.7 million increase in distribution and investment-related expenses principally as a result of investments in new Affiliates in the fourth quarter of 2021, a $7.6 million increase in travel-related expenses, and a $3.6 million increase in non-income based and other taxes. These increases were partially offset by a $10.7 million decrease in sub-advisory expenses related to the changes to our distribution platform and a $6.9 million decrease in professional fees.

Intangible amortization and impairments increased $5.5 million or 62% for the three months ended September 30, 2022, primarily due to a $5.4 million increase in amortization expense due to investments in new Affiliates in the fourth quarter of 2021.

Intangible amortization and impairments increased $14.1 million or 56% for the nine months ended September 30, 2022, primarily due to a $15.8 million increase in amortization expense due to investments in new Affiliates in the fourth quarter of 2021.

There were no significant changes in Interest expense for the three months ended September 30, 2022.

Interest expense increased $1.9 million or 2% for the nine months ended September 30, 2022, primarily due to a $4.5 million increase from our debt securities issued in 2021 and a $1.5 million increase due to higher interest rates on our term loan.

These increases were partially offset by a $3.7 million decrease from our junior convertible debt securities due to lower principal balance and lower accretion expense after the adoption of ASU 2020-06 in the first quarter of 2022.

There were no significant changes in Depreciation and other amortization for the three and nine months ended September 30, 2022.

There were no significant changes in Other expenses (net) for the three months ended September 30, 2022.

Other expenses (net) decreased $28.3 million or 70% for the nine months ended September 30, 2022, primarily due to a $28.2 million decrease in expenses related to the changes in the values of contingent payment obligations and Affiliate equity purchase obligations.

Equity Method Income (Net)

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

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

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions, except as noted)	2021	2022	% Change	2021	2022	% Change
Operating Performance Measures						
Equity method Affiliate average assets under management (in billions)	$ 315.9	$ 282.3	(11)%	$ 314.7	$ 297.7	(5)%
Equity method revenue	$ 501.0	$ 586.9	17 %	$ 1,955.6	$ 1,885.7	(4)%
Financial Performance Measures						
Equity method earnings	$ 65.2	$ 76.2	17 %	$ 218.9	$ 213.2	(3)%
Equity method intangible amortization	(29.3)	(31.4)	7 %	(93.8)	(89.3)	(5)%
Equity method intangible impairments	—	—	— %	—	—	— %
Equity method income (net)	$ 35.9	$ 44.8	25 %	$ 125.1	$ 123.9	(1)%

Our equity method revenue increased $85.9 million or 17% for the three months ended September 30, 2022, primarily due to a $57.0 million or 11% increase from performance-based fees, primarily in our liquid alternative strategies and a $28.9 million or 6% increase from asset-based fees. The increase in asset-based fees was due to changes in the composition of our assets under management, partially offset by a decrease in equity method Affiliate average assets under management, primarily in our global equity strategies, driven by equity markets.

For the three months ended September 30, 2022, equity method earnings increased $11.0 million or 17%, primarily due to an $85.9 million or 17% increase in equity method revenue.

Equity method intangible amortization increased $2.1 million or 7% for the three months ended September 30, 2022, primarily due to a $9.1 million increase in amortization expense due to an increase in actual and expected client attrition for certain definite-lived acquired client relationships and a $2.3 million increase in amortization expense due to investments in existing Affiliates. These increases were partially offset by an $8.9 million decrease in amortization expense related to certain definite-lived assets being fully amortized.

Our equity method revenue decreased $69.9 million or 4% for the nine months ended September 30, 2022, primarily due to a $167.4 million or 9% decrease from performance-based fees, primarily in our liquid alternative strategies, partially offset by a $97.5 million or 5% increase from asset-based fees. The increase in asset-based fees was due to changes in the composition of our assets under management, partially offset by a decrease in equity method Affiliate average assets under management, primarily in our global equity strategies, driven by equity markets.

For the nine months ended September 30, 2022, equity method earnings decreased $5.7 million or 3%, primarily due to a $69.9 million or 4% decrease in equity method revenue.

Equity method intangible amortization decreased $4.5 million or 5% for the nine months ended September 30, 2022, primarily due to a $34.3 million decrease in amortization expense related to certain definite-lived assets being fully amortized. This decrease was partially offset by a $20.3 million increase in amortization expense due to an increase in actual and expected client attrition for certain definite-lived acquired client relationships and an $8.6 million increase in amortization expense due to investments in new and existing Affiliates.

Investment and Other Income (Expense)

The following table presents our Investment and other income (expense):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Investment and other income (expense)	$ 37.5	$ 3.1	(92)%	$ 91.1	$ (5.3)	N.M.[1]

[1] Percentage change is not meaningful.

Investment and other income decreased $34.4 million or 92% for the three months ended September 30, 2022, primarily due to a decrease in net unrealized gains on Other investments of $40.0 million.

Investment and other income decreased $96.4 million for the nine months ended September 30, 2022, primarily due to decreases in net unrealized gains on Other investments and Investments in marketable securities of $87.4 million and $3.8 million, respectively.

Income Tax Expense

The following table presents our Income tax expense:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Income tax expense	$ 44.9	$ 36.8	(18)%	$ 166.4	$ 130.5	(22)%

Income tax expense decreased $8.1 million or 18% for the three months ended September 30, 2022, primarily due to a $5.8 million decrease in controlling interest income taxes resulting from a decrease in Income before income taxes attributable to the controlling interest and a $3.3 million tax benefit related to a change in our estimated foreign tax expense related to 2021.

Income tax expense decreased $35.9 million or 22% for the nine months ended September 30, 2022, primarily due to a $10.5 million decrease in controlling interest income taxes resulting from a decrease in Income before income taxes attributable to the controlling interest and a $25.1 million deferred tax expense resulting from an increase in the UK tax rate enacted in the second quarter of 2021 that did not reoccur.

Net Income

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

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Net income	$ 208.4	$ 164.3	(21)%	$ 606.7	$ 557.0	(8)%
Net income (non-controlling interests)	80.0	51.7	(35)%	219.4	189.0	(14)%
Net income (controlling interest)	128.4	112.6	(12)%	387.3	368.0	(5)%

Net income (controlling interest) decreased $15.8 million or 12% for the three months ended September 30, 2022, primarily due to a decrease in Investment and other income attributable to the controlling interest, partially offset by an increase in Equity method income (net).

Net income (controlling interest) decreased $19.3 million or 5% for the nine months ended September 30, 2022, primarily due to a decrease in Investment and other income attributable to the controlling interest, partially offset by a decrease in Income tax expense attributable to the controlling interest.

Supplemental Financial Performance Measures

Adjusted EBITDA (controlling interest)

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in millions)	2021	2022	2021	2022
Net income (controlling interest)	$ 128.4	$ 112.6	$ 387.3	$ 368.0
Interest expense	28.5	28.3	82.8	84.7
Income taxes	42.6	34.8	153.2	121.1
Intangible amortization and impairments[(1)]	35.6	41.9	111.7	116.9
Other items[(2)]	(7.4)	2.8	(33.2)	(1.6)
Adjusted EBITDA (controlling interest)	$ 227.7	$ 220.4	$ 701.8	$ 689.1

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in millions)	2021	2022	2021	2022
Consolidated intangible amortization and impairments	$ 8.9	$ 14.4	$ 25.3	$ 39.4
Consolidated intangible amortization and impairments (non-controlling interests)	(2.6)	(3.9)	(7.4)	(11.8)
Equity method intangible amortization and impairments	29.3	31.4	93.8	89.3
Total	$ 35.6	$ 41.9	$ 111.7	$ 116.9

(2) Other items includes depreciation, adjustments to contingent payment obligations, certain Affiliate equity expenses, certain gains and losses, including on general partner and seed capital investments, and certain non-income based taxes.

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

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

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

Economic earnings per share represents Economic net income (controlling interest) divided by the Average shares outstanding (adjusted diluted). In this calculation, we exclude the potential shares issued upon settlement of Redeemable non-controlling interests from Average shares outstanding (adjusted diluted) because we intend to settle those obligations without issuing shares, consistent with all prior Affiliate equity purchase transactions. The potential share issuance in connection with our junior convertible securities is measured using a "treasury stock" method. Under this method, only the net number of shares of common stock equal to the value of these junior convertible securities in excess of par, if any, is deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in millions, except per share data)	2021	2022	2021	2022
Net income (controlling interest)	$ 128.4	$ 112.6	$ 387.3	$ 368.0
Intangible amortization and impairments[(1)]	35.6	41.9	111.7	116.9
Intangible-related deferred taxes	12.0	12.7	51.9	41.2
Other economic items[(2)]	(7.5)	(0.8)	(26.4)	(9.2)
Economic net income (controlling interest)	$ 168.5	$ 166.4	$ 524.5	$ 516.9
Average shares outstanding (diluted)	44.3	43.5	44.8	47.8
Hypothetical issuance of shares to settle Redeemable non-controlling interests	—	(2.3)	—	(5.7)
Assumed issuance of junior convertible securities shares	(2.1)	(1.7)	(2.1)	(1.9)
Average shares outstanding (adjusted diluted)	42.2	39.5	42.7	40.2
Economic earnings per share	$ 4.00	$ 4.21	$ 12.28	$ 12.85

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

(2) Other economic items includes certain gains and losses, principally related to the accounting for contingent payment obligations as well as general partner and seed capital investments, tax windfalls and shortfalls from share-based compensation, certain Affiliate equity expenses, and non-cash imputed interest. Other economic items were net of income tax expense (benefit) of $3.0 million and $13.1 million for the three and nine months ended September 30, 2021, respectively, and $(0.0) million and $(7.0) million for the three and nine months ended September 30, 2022, respectively.

Liquidity and Capital Resources

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

Cash and cash equivalents were $622.9 million as of September 30, 2022 and were attributable to both our controlling and the non-controlling interests. In the nine months ended September 30, 2022, we met our cash requirements primarily through cash generated by operating activities. Our principal uses of cash in the nine months ended September 30, 2022 were for share repurchases and investments in existing Affiliates through purchases of Affiliate equity interests, including our additional investment in Systematica.

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

Pursuant to the terms of the Securities Purchase and Merger Agreement regarding the sale of our equity interest in BPEA to EQT, we were entitled to receive $240.0 million in cash and 28.68 million EQT ordinary shares (25% of which are subject to a six-month lock-up). Following the close of the transaction, which occurred in October 2022, we intend to use the proceeds for transaction-related expenses, taxes, repayment of indebtedness, share repurchases, investments in new and existing Affiliates, and other general corporate purposes.

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

	For the Nine Months Ended September 30,	
(in millions)	**2021**	**2022**
Operating cash flow	$ 897.3	$ 797.4
Investing cash flow	(177.8)	(266.6)
Financing cash flow	(625.5)	(779.1)

Operating Cash Flow

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

For the nine months ended September 30, 2022, Cash flows from operating activities were $797.4 million, primarily from Net income of $557.0 million adjusted for non-cash items of $58.1 million and $339.7 million of distributions of earnings received from equity method investments. These items were partially offset by timing differences in the cash settlement of receivables, other assets, and payables, accrued liabilities, and other liabilities of $147.4 million and net purchases of securities by consolidated sponsored investment products of $10.0 million. For the nine months ended September 30, 2022, operating cash flows were primarily attributable to the controlling interest.

Investing Cash Flow

For the nine months ended September 30, 2022, Cash flows used in investing activities were $266.6 million, primarily due to $147.8 million of investments in Affiliates, $110.5 million of net purchases of investment securities, principally U.S. Treasury Notes, and $9.1 million purchases of fixed assets. For the nine months ended September 30, 2022, investing cash flows were primarily attributable to the controlling interest.

Financing Cash Flow

For the nine months ended September 30, 2022, Cash flows used in financing activities were $779.1 million, primarily due to the return of $356.6 million of capital to shareholders, principally through share repurchases of our common stock, $278.0 million of distributions to non-controlling interests, $60.8 million of repurchases of our junior convertible securities, $60.3 million of settlement of contingent and deferred payment obligations, $21.8 million of Affiliate equity purchases, net of issuances, and $19.5 million of taxes paid from shares withheld related to issuances of our common stock. Cash flows used in financing activities were partially offset by $6.5 million of subscriptions to consolidated funds, net of redemptions.

Affiliate Equity

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

As of September 30, 2022, the current redemption value of Affiliate equity interests was $512.0 million, of which $486.6 million was presented as Redeemable non-controlling interests (including $18.7 million of consolidated Affiliate sponsored investment products primarily attributable to third-party investors), and $25.4 million was presented as Other liabilities. Although the timing and amounts of these purchases are difficult to predict, we paid $37.0 million for Affiliate equity purchases and received $15.2 million for Affiliate equity issuances during the nine months ended September 30, 2022, and we expect net purchases of approximately $15 million of Affiliate equity during the remainder of 2022. In the event of a purchase, we become the owner of the cash flow associated with the purchased equity. See Notes 14 and 15 of our Consolidated Financial Statements.

Share Repurchases

Our Board of Directors authorized share repurchase programs in October 2022, January 2022, and January 2021 to repurchase up to 3.0 million, 2.0 million, and 5.0 million shares of our common stock, respectively, and these authorizations have no expiry. Purchases may be made from time to time, at management's discretion, in the open market or in privately negotiated transactions, including through the use of trading plans, as well as pursuant to accelerated share repurchase programs or other share repurchase strategies that may include derivative financial instruments. During the three and nine months ended September 30, 2022, we repurchased 0.6 million and 2.5 million shares of our common stock, respectively, at an average price per share of $125.13 and $135.73, respectively. As of the October 2022 authorization, there were a total of 5.8 million shares available for repurchase under our share repurchase programs.

Debt

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

(in millions)	**December 31, 2021**	**September 30, 2022**
Senior bank debt	$ 350.0	$ 350.0
Senior notes	1,098.0	1,098.5
Junior subordinated notes	765.8	765.9
Junior convertible securities	299.5	341.7

The carrying value of our debt differs from the amount reported in the notes to our Consolidated Financial Statements, as the carrying value of our debt in the table above is not reduced for debt issuance costs. Effective January 1, 2022, we adjusted the carrying value of our junior convertible securities (see Note 2 of our Consolidated Financial Statements).

Senior Bank Debt

We have a $1.25 billion revolver and a $350.0 million senior unsecured term loan facility (the "term loan") (together with the revolver, the "credit facilities"). Both the revolver and the term loan mature on October 23, 2026. Subject to certain conditions, we may increase the commitments under the revolver by up to an additional $500.0 million and may borrow up to an additional $75.0 million under the term loan.

As of September 30, 2022, we had no outstanding borrowings under the revolver, and could borrow all capacity and remain in compliance with our credit facilities.

Senior Notes

As of September 30, 2022, we had the following senior notes outstanding, the respective principal terms of which are presented below:

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

Junior Subordinated Notes

As of September 30, 2022, we had the following junior subordinated notes outstanding, the respective principal terms of which are presented below:

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

Junior Convertible Securities

As of September 30, 2022, we had $341.7 million of principal outstanding in our 5.15% junior convertible trust preferred securities (the “junior convertible securities”), maturing in 2037. The junior convertible securities were issued by AMG Capital Trust II, a Delaware statutory trust, in October 2007. Each of the junior convertible securities represents an undivided beneficial interest in the assets of the trust. The trust’s only assets are junior subordinated convertible debentures issued to it by us, and have substantially the same payment terms as the junior convertible securities. We own all of the trust’s common securities, and have fully and unconditionally guaranteed, on a subordinated basis, the payment obligations on the junior convertible securities. We do not consolidate the trust’s financial results into our Consolidated Financial Statements.

Holders of the junior convertible securities have no rights to put these securities to us. Upon conversion, holders will receive cash or shares of our common stock, or a combination thereof, at our election. We may redeem the junior convertible securities, subject to our stock trading at or above certain specified levels over specified periods, and may also repurchase junior convertible securities in the open market or in privately negotiated transactions from time to time at management’s discretion. During the nine months ended September 30, 2021 and 2022, we repurchased a portion of our junior convertible securities for a purchase price of $28.7 million and $60.9 million, respectively, and as a result of these repurchases, we reduced our Deferred income tax liability (net) by $6.2 million and $11.7 million, respectively.

Equity Distribution Program

In the second quarter of 2022, we entered into equity distribution and forward equity agreements with several major securities firms under which we may, from time to time, issue and sell shares of our common stock (immediately or on a forward basis) having an aggregate sales price of up to $500.0 million (the “equity distribution program”). This equity distribution program superseded and replaced our prior equity distribution program. As of September 30, 2022, no sales had occurred under the equity distribution program.

Commitments

See Note 9 of our Consolidated Financial Statements.

Other Contingent Commitments

See Notes 5, 9, and 11 of our Consolidated Financial Statements.

Leases

As of September 30, 2022, our lease obligations were $10.0 million for the remainder of 2022, $78.0 million from 2023 through 2024, $58.2 million from 2025 through 2026, and $107.7 million thereafter. The portion of these lease obligations attributable to the controlling interest were $2.4 million for the remainder of 2022, $21.6 million from 2023 through 2024, $13.6 million from 2025 through 2026, and $12.4 million thereafter.

Recent Accounting Developments

See Note 2 of our Consolidated Financial Statements.

Critical Accounting Estimates and Judgments

Our 2021 Annual Report on Form 10-K includes additional information about our Critical Accounting Estimates and Judgments, and should be read in conjunction with this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our Quantitative and Qualitative Disclosures About Market Risk for the three months ended September 30, 2022. Please refer to Item 7A of our 2021 Annual Report on Form 10-K.

Item 4. Controls and Procedures

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

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

PART II—OTHER INFORMATION

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

(a) None.

(b) None.

(c) Purchases of Equity Securities by the Issuer:

Period	Total Number of Shares Purchased[(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid Per Share	Maximum Number of Shares that May Yet Be Purchased Under Outstanding Plans or Programs[(2)]
July 1-31, 2022	139,279	$ 120.48	139,279	$ 120.48	3,399,191
August 1-31, 2022	214,895	133.65	214,895	133.65	3,184,296
September 1-30, 2022	285,236	121.00	285,236	121.00	2,899,060
Total	639,410	125.13	639,410	125.13	

(1) Includes shares surrendered to the Company to satisfy tax withholding and/or option exercise price obligations in connection with stock swap and net settlement option exercise transactions, if any.

(2) Our Board of Directors authorized share repurchase programs in October 2022, January 2022, and January 2021 to repurchase up to 3.0 million, 2.0 million, and 5.0 million shares of our common stock, respectively, and these authorizations have no expiry. Purchases may be made from time to time, at management's discretion, in the open market or in privately negotiated transactions, including through the use of trading plans, as well as pursuant to accelerated share repurchase programs or other share repurchase strategies that may include derivative financial instruments. As of the October 2022 authorization, there were a total of 5.8 million shares available for repurchase under our share repurchase programs.

Item 5. Other Information

The Company's Board of Directors has amended and restated the Company's by-laws, effective as of the date of this Quarterly Report on Form 10-Q, to address certain procedural and information requirements in Section 3 of Article II of the by-laws relating to recent amendments adopted by the Securities and Exchange Commission regarding proxy card requirements. Among other things, the amended and restated by-laws require that any stockholder submitting director nominees for the Company's proxy card must comply with the requirements of Rule 14a-9 of the Exchange Act, including with respect to proxy filings and stockholder solicitations, and must evidence compliance with such requirements upon the Company's request. The preceding summary is qualified in its entirety by the text of the amended and restated by-laws, which are attached as Exhibit 3.1 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

The exhibits are listed on the Exhibit Index below.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated By-laws*
31.1	Certification of Registrant’s Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Registrant’s Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Registrant’s Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Registrant’s Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	The following financial statements from the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 are filed herewith, formatted in XBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income for the three- and nine-month periods ended September 30, 2022 and 2021, (ii) the Consolidated Statements of Comprehensive Income for the three- and nine-month periods ended September 30, 2022 and 2021, (iii) the Consolidated Balance Sheets at September 30, 2022 and December 31, 2021, (iv) the Consolidated Statements of Changes in Equity for the three- and nine-month periods ended September 30, 2022 and 2021, (v) the Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2022 and 2021, and (vi) the Notes to the Consolidated Financial Statements
104	The cover page from the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in XBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101

* Filed herewith
** Furnished herewith

SIGNATURES

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

	AFFILIATED MANAGERS GROUP, INC. (Registrant)
November 7, 2022	/s/ THOMAS M. WOJCIK
	Thomas M. Wojcik *on behalf of the Registrant as Chief Financial Officer (and also as Principal Financial and Principal Accounting Officer)*

QuickLinks

Exhibit 3.1

FOURTH AMENDED AND RESTATED

BY-LAWS

OF

AFFILIATED MANAGERS GROUP, INC.

ARTICLE I.

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders shall be held at the hour, date and place within or without the United States which is fixed by the majority of the Board of Directors, the Chairman of the Board, if one is elected, or the Chief Executive Officer, which time, date and place may subsequently be changed at any time by vote of the Board of Directors. If no annual meeting has been held for a period of thirteen months after the Corporation's last annual meeting of stockholders, a special meeting in lieu thereof may be held, and such special meeting shall have, for the purposes of these By-laws or otherwise, all the force and effect of an annual meeting. Any and all references hereafter in these By-laws to an annual meeting or annual meetings also shall be deemed to refer to any special meeting(s) in lieu thereof.

SECTION 2. Matters to be Considered at Annual Meetings. At any annual meeting of stockholders or any special meeting in lieu of annual meeting of stockholders (the "**Annual Meeting**"), only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such Annual Meeting. To be considered as properly brought before an Annual Meeting, business must be: (a) specified in the notice of meeting, (b) otherwise properly brought before the meeting by, or at the direction of, the Board of Directors, or (c) otherwise properly brought before the meeting by any holder of record (both as of the time notice of such proposal is given by the stockholder as set forth below and as of the record date for the Annual Meeting in question) of any shares of capital stock of the Corporation entitled to vote at such Annual Meeting who complies with the requirements set forth in this Section 2 and such business must otherwise be a proper matter for stockholder action. Nominations of candidates for election as directors of the Corporation at an Annual Meeting are addressed in Article II, Section 3 of these By-laws.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder of record of any shares of capital stock entitled to vote at such Annual Meeting, such stockholder shall: (i) give timely notice in proper form as required by this Section 2 to the Secretary of the Corporation and Timely Updates and Supplements thereof and (ii) be present at such meeting, either in person or by a representative. For all Annual Meetings, a stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not less than 75 days nor more than 120 days prior to the anniversary date of the immediately preceding Annual Meeting (the "**Anniversary Date**"); provided, however, that in the event the Annual Meeting is scheduled to be held on a date more than 30 days before the Anniversary Date or more than 60 days after the Anniversary Date, a stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not later than the close of business on the later of (1) the 75th day prior to the scheduled date of such Annual Meeting or (2) the 15th day following the day on which public announcement of the date of such Annual Meeting is first made by the Corporation.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the Annual Meeting and as of the date that is ten (10) business days prior to the Annual Meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the Annual Meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the Annual Meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the Annual Meeting or any adjournment or postponement thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these By-Laws shall not limit the Company's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or under any other provision of the By-Laws or enable or be deemed to permit a stockholder who has previously submitted notice hereunder or under any other provision of the By-Laws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and or resolutions proposed to be brought before a meeting of the stockholders. The updates and supplements referred to in this paragraph shall be referred to as the "Timely Updates and Supplements."

If any information submitted by any stockholder proposing business for consideration pursuant to this Section 2 or individuals to nominate for election or reelection as a director pursuant to Article II, Section 3 at a stockholder meeting shall be inaccurate in any respect, such information may be deemed not to have been provided in accordance with these By-laws. Any such stockholder shall notify the Secretary of any inaccuracy in any such information within two (2) business days of becoming aware of such inaccuracy.

Upon written request of the Secretary, the Board or any committee thereof, any such stockholder shall provide, within seven (7) business days after delivery of such request (or such other period as may be specified in such request), (A) written verification, reasonably satisfactory to the Board, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 2 and (B) a written update of any information (including written confirmation by such stockholder that such stockholder continues to intend to bring such nomination or other business before the meeting) submitted by the stockholder pursuant to this Section 2 or pursuant to Article II, Section 3 as of an earlier date. If a stockholder fails to provide such written verification within such period, the information as to which written verification was requested may be deemed not to have been provided in accordance with this Section 2 or Article II, Section 3, as applicable.

For purposes of these By-laws, (1) "public announcement" shall mean: (a) disclosure in a press release reported by the Dow Jones News Service, Associated Press, Business Wire or comparable national news service, (b) a report or other document filed publicly with the Securities and Exchange Commission (including, without limitation, a Form 8-K), or (c) a letter or report sent to stockholders of record of the Corporation at the time of the mailing of such letter or report; and (2) "affiliate" and "associate" shall have the meanings ascribed thereto in Rule 405 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); provided, however, that the term "partner" as used in the definition of "associate" shall not include any limited partner that is not involved in the management of the relevant partnership.

A stockholder's notice to the Secretary shall set forth as to each matter proposed to be brought before an Annual Meeting: (i) (a) a brief description of the business the stockholder desires to bring before such Annual Meeting, (b) the reasons for conducting such business at such Annual Meeting, (c) the complete text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-laws or any other governing documents of the Corporation, the language of the proposed amendment), and (d) any material interest of the stockholder proposing to bring such business before such meeting (or any other stockholders known to be supporting such proposal) in such proposal; and (ii) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the business is being brought and their respective affiliates or associates or others acting in concert therewith: (a) the name and address, as they appear on the Corporation's stock transfer books, of the stockholder proposing such business, (b) the class and number of shares of the Corporation's capital stock beneficially owned by the stockholder proposing such business, (c) the names and addresses of the beneficial owners, if any, of any capital stock of the Corporation registered in such stockholder's name on such books, and the class and number of shares of the Corporation's capital stock beneficially owned by such beneficial owners, (d) the names and addresses of other stockholders known by the stockholder proposing such business to support such proposal, and the class and number of shares of the Corporation's capital stock beneficially owned by such other stockholders, (e) as to such stockholder and such beneficial owner, whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or such beneficial holder with respect to any share of the Corporation's capital stock (any of the foregoing, a "**Short Interest**"), (f) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith have any right to vote any class or series of shares of the Corporation's capital stock, (g) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation's capital stock or with a value derived in whole or in part from the value of any class or series of shares of the Corporation's capital stock, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation's capital stock, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation's capital stock, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation's capital stock, through the delivery of cash or other property, or otherwise, and without regard to whether the stockholder of record, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation's capital stock (any of the foregoing, a "**Derivative Instrument**") directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, (h) any rights to dividends on the shares of the Corporation's capital stock owned beneficially by such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith that are separated or separable from the underlying shares of the Corporation, (i) any proportionate interest in shares of the Corporation's capital stock or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (j) any performance-related fees (other than an asset-based fee) that such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith are entitled to be based on any increase or decrease in the value of shares of the Corporation's capital stock or Derivative Instruments, if any, including without limitation any such interests held by members of the immediate family sharing the same household of such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, (k) any equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, (l) a description of all agreements, arrangements and understandings between such stockholder, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder, (m) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by such stockholder, and (n) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (I) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (II) otherwise to solicit proxies from stockholders in support of such proposal or nomination (the requirements of this subsection (ii), the "**Requisite Stockholder Information**").

If the Board of Directors or a designated committee thereof determines that any stockholder proposal was not made in a timely fashion in accordance with the provisions of this Section 2 or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2 in any material respect, such proposal shall not be presented for action at the Annual Meeting in question. If neither the Board of Directors nor such committee makes a determination as to the validity of any stockholder proposal in the manner set forth above, the presiding officer of the Annual Meeting shall determine whether the stockholder proposal was made in accordance with the terms of this Section 2. If the presiding officer determines that any stockholder proposal was not made in a timely fashion in accordance with the provisions of this Section 2 or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2 in any material respect, such proposal shall not be presented for action at the Annual Meeting in question. If the Board of Directors, a designated committee thereof or the presiding officer determines that a stockholder proposal was made in accordance with the requirements of this Section 2, the presiding officer shall so declare at the Annual Meeting and ballots shall be provided for use at the meeting with respect to such proposal.

Notwithstanding the foregoing provisions of these By-laws, a stockholder shall also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this Section 2, and nothing in this Section 2 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 3. Special Meetings. Except as otherwise required by law and subject to the rights, if any, of the holders of any series of preferred stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office.

SECTION 4. Matters to be Considered at Special Meetings. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation, unless otherwise provided by law.

SECTION 5. Notice of Meetings; Adjournments. A written notice of each Annual Meeting stating the hour, date and place of such Annual Meeting shall be given by the Secretary or an Assistant Secretary (or other person authorized by these By-laws or by law) not less than 10 days nor more than 60 days before the Annual Meeting, to each stockholder entitled to vote thereat and to each stockholder who, by law or under the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "**Certificate**") or under these By-laws, is entitled to such notice, by delivering such notice to him or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Such notice shall be deemed to be given when hand delivered to such address or deposited in the mail so addressed, with postage prepaid.

Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the written notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a written waiver of notice is signed before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance was for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any Annual Meeting or special meeting of stockholders need be specified in any written waiver of notice.

The Board of Directors may postpone or reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I or Section 3 of Article II hereof or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder's notice under Section 2 of Article I and Section 3 of Article II of these By-laws.

When any meeting is convened, the presiding officer may adjourn the meeting if (a) no quorum is present for the transaction of business, (b) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (c) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place to which the meeting is adjourned; provided, however, that if the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate or these By-laws, is entitled to such notice.

SECTION 6. Quorum. A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 5 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 7. Exclusive Forum for Adjudication of Disputes. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (iii) any action asserting a claim against the Corporation or any current or former director or officer or other employee of the Corporation arising pursuant to any provision of the General Corporation Law of the State of Delaware, as amended from time to time (the "**DGCL**"), or the Certificate or these By-laws (as either may be amended from time to time), (iv) any action asserting a claim related to or involving the Corporation that is governed by the internal affairs doctrine, or (v) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware).

SECTION 8. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the books of the Corporation, unless otherwise provided by law or by the Certificate. Stockholders may vote either in person or by written proxy, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies shall be filed with the Secretary of the meeting before being voted. Except as otherwise limited therein or as otherwise provided by law, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 9. Action at Meeting. When a quorum is present, any matter (other than a contested election of directors) before any meeting of stockholders shall be determined by a majority of votes cast on such matter, except where a larger vote is required by law, by the Certificate or by these By-laws. For the avoidance of doubt, abstentions and broker non-votes shall count toward establishing a quorum, but shall not be considered votes cast on a matter. In a contested election, directors shall be elected by a plurality of the votes cast. A contested election shall be one in which there are more nominees than positions on the Board to be filled at the meeting. The Corporation shall not directly or indirectly vote any shares of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

SECTION 10. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation's transfer agent or other person authorized by these By-laws or by law) shall prepare and make, at least 10 days before every Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the hour, date and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 11. Presiding Officer. The Chairman of the Board, if one is elected, or if not elected or in his or her absence, the Chief Executive Officer or the Secretary, shall preside at all Annual Meetings or special meetings of stockholders and shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 5 and 6 of this Article I. If both the Chief Executive Officer and the Secretary are unable to fill the role of presiding officer in the absence of the Chairman of the Board, the Board of Directors shall have the exclusive authority to select the presiding officer for any such meeting. The presiding officer shall also have the explicit authority to regulate conduct at meetings, subject to Section 12 of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at any meeting of stockholders shall be announced at the meeting by the presiding officer of such meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the presiding officer shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures, and to do all such acts as, in the judgment of such presiding officer, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding officer, may include or address, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) maintenance of order and security at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies, or such other persons as the presiding officer shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; (f) limitations on the time allotted to questions or comments by participants; (g) removing any stockholder or any other individual who refuses to comply with the meeting rules, regulations and procedures as set forth by the presiding officer; (h) conclusion, recess or adjournment of the meeting, regardless of whether a quorum is present in person or by proxy, to a later date and time and at a place announced at the meeting; (i) restricting the use of audio/video recording devices, cell phones and other electronic devices; and (j) complying with any state or local laws and regulations concerning safety and security. The presiding officer, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting, and if the presiding officer should so determine, the presiding officer shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the presiding officer, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 13. Voting Procedures and Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

ARTICLE II.

Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Director Nominations. Nominations of candidates for election as directors of the Corporation at any Annual Meeting may be made only (a) by, or at the direction of, a majority of the Board of Directors or (b) by any holder of record (both as of the time notice of such nomination is given by the stockholder as set forth below and as of the record date for the Annual Meeting in question) of any shares of the capital stock of the Corporation entitled to vote at such Annual Meeting who complies with the timing, informational and other requirements set forth in this Section 3. Any stockholder who has complied with the timing, informational and other requirements set forth in this Section 3 and who seeks to make such a nomination, or his, her or its representative, must be present in person at the Annual Meeting. Only persons nominated in accordance with the procedures set forth in this Section 3 shall be eligible for election as directors at an Annual Meeting.

Nominations, other than those made by, or at the direction of, the Board of Directors, shall be made pursuant to timely notice in proper form, along with Timely Updates and Supplements thereof, in writing to the Secretary of the Corporation as set forth in this Section 3 (including, in the case of nominations, the completed and signed questionnaire, representation and agreement required by Article II, Section 4 of these By-laws). For all Annual Meetings, a stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not less than 75 days nor more than 120 days prior to the Anniversary Date; provided, however, that in the event the Annual Meeting is scheduled to be held on a date more than 30 days before the Anniversary Date or more than 60 days after the Anniversary Date, a stockholder's notice shall be timely if delivered to, or mailed and received by, the Corporation at its principal executive office not later than the close of business on the later of (x) the 75th day prior to the scheduled date of such Annual Meeting or (y) the 15th day following the day on which public announcement of the date of such Annual Meeting is first made by the Corporation.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, to the extent contemplated by the Timely Updates and Supplements provision and provisos thereto set forth in Article I, Section 2 of these By-laws.

A stockholder's notice to the Secretary shall set forth as to each person whom the stockholder proposes to nominate for election or re-election as a director: (1) the name, age, business address and residence address of such person, (2) the principal occupation or employment of such person, (3) the class and number of shares of the Corporation's capital stock which are beneficially owned by such person on the date of such stockholder notice, (4) the consent of each nominee to be named in the Corporation's proxy statement and to serve as a director for the full term if elected, (5) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the

Exchange Act, regardless of whether the stockholder is seeking to include the nominee in the Corporation's proxy statement, and (6) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant. With respect to each individual, if any, whom the stockholder proposes to nominate for election or re-election as a director, a stockholder's notice must, in addition to the matters set forth in the paragraphs above, also include a completed and signed questionnaire, representation and agreement required by Section 4 of Article II of these By-laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

A stockholder's notice to the Secretary shall further set forth as to the stockholder giving such notice, the beneficial owner, if any, on whose behalf the business is being brought and their respective affiliates or associates or others acting in concert therewith: (a) the name and address, as they appear on the Corporation's stock transfer books, of such stockholder and of the beneficial owners (if any) of the Corporation's capital stock registered in such stockholder's name and the name and address of other stockholders known by such stockholder to be supporting such nominee(s), (b) the class and number of shares of the Corporation's capital stock which are held of record, beneficially owned or represented by proxy by such stockholder and by any other stockholders known by such stockholder to be supporting such nominee(s) on the record date for the Annual Meeting in question (if such date shall then have been made publicly available) and on the date of such stockholder's notice, (c) a description of all arrangements or understandings between such stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder, (d) the Requisite Stockholder Information contemplated by Article I, Section 2 herein and (e) a representation regarding whether such stockholder intends to solicit proxies in support of director nominees other than the Corporation's nominees in accordance with Rule 14a-19 promulgated under the Exchange Act.

The Board of Directors may require any proposed director nominee to submit to interviews with the Board or any committee thereof to determine the eligibility, suitability or qualifications of such person to serve as a director, and such person shall make himself or herself available for any such interviews within no less than ten (10) business days following the date of delivery of such request. If the Board of Directors or a designated committee thereof determines that any stockholder nomination was not made in accordance with the terms of this Section 3 or that the information provided in a stockholder's notice does not satisfy the informational requirements of this Section 3 in any material respect, then such nomination shall not be considered at the Annual Meeting in question. If neither the Board of Directors nor such committee makes a determination as to whether a nomination was made in accordance with the provisions of this Section 3, the presiding officer of the Annual Meeting shall determine whether a nomination was made in accordance with such provisions. If the presiding officer determines that any stockholder nomination was not made in accordance with the terms of this Section 3 or that the information provided in a stockholder's notice does not satisfy the informational requirements of this Section 3 in any material respect, then such nomination shall not be considered at the Annual Meeting in question. If the Board of Directors, a designated committee thereof or the presiding officer determines that a nomination was made in accordance with the terms of this Section 3, the presiding officer shall so declare at the Annual Meeting and ballots shall be provided for use at the meeting with respect to such nominee.

Notwithstanding anything to the contrary in the second paragraph of this Section 3, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 75 days prior to the Anniversary Date, a stockholder's notice required by this Section 3 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if such notice shall be delivered to, or mailed to and received by, the Corporation at its principal executive office not later than the close of business on the 15th day following the day on which such public announcement is first made by the Corporation.

No person shall be elected by the stockholders as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3. Election of directors at an Annual Meeting need not be by written ballot, unless otherwise provided by the Board of Directors or presiding officer at such Annual Meeting. If written ballots are to be used, ballots bearing the names of all the persons who have been nominated for election as directors at the Annual Meeting in accordance with the procedures set forth in this Section 3 shall be provided for use at the Annual Meeting.

Notwithstanding the foregoing provisions of this Section 3, unless otherwise required by law, if any stockholder (i) provides notice pursuant to Rule 14a-19(a)(1) promulgated under the Exchange Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for any proposed nominee. Upon request by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(a)(1) promulgated under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

This Section 3 shall be the exclusive method for stockholders to include nominees for director in the Corporation's proxy materials, except to the extent required by Rule 14a-19 promulgated under the Exchange Act.

SECTION 4. Qualification. No director need be a stockholder of the Corporation. To be eligible to be a nominee of any stockholder for election or re-election as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 3 of Article II of these By-laws) to the Secretary at the principal executive office of the Corporation a written questionnaire with respect to the background and qualifications of such individual and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made (which questionnaire shall be provided to the nominee by the Secretary upon written request within ten (10) days after receiving such request), and a written representation and agreement (in the form provided to the proposed nominee by the Secretary upon written request) that such individual (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Corporation, and (2) any Voting Commitment that could limit or interfere with such individual's ability to comply, if elected as a director of the Corporation, with such individual's fiduciary duties under applicable law; (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation; and (C) in such individual's personal capacity and on behalf of any person or entity on whose behalf, directly or indirectly, the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with all applicable corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines of the Corporation.

SECTION 5. Vacancies. Subject to the rights, if any, of the holders of any series of preferred stock to elect directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in size of the Board of Directors, or the death, resignation, disqualification or removal of a director, shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board of Directors. Any director appointed in accordance with the preceding sentence shall hold office until the next annual meeting of stockholders and until such director's successor shall have been duly elected and qualified or until his or her earlier resignation or removal. No decrease in the number of directors shall shorten the term of any incumbent director. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board of Directors until the vacancy is filled.

SECTION 6. Removal. Directors may be removed from office in the manner provided in the Certificate.

SECTION 7. Resignation. A director may resign at any time by giving written notice to the Chairman of the Board, if one is elected, the Chief Executive Officer or the Secretary. A resignation shall be effective upon receipt, unless the resignation or the Corporate Governance Guidelines of the Corporation otherwise provide.

SECTION 8. Regular Meetings. The regular annual meeting of the Board of Directors shall be held at such hour, date and place as the Board of Directors may determine by resolution or as the Secretary shall designate without notice other than such resolution or designation provided to the Board. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine without notice other than such resolution.

SECTION 9. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chairman of the Board, if one is elected, or the Chief Executive Officer. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 10. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chairman of the Board, if one is elected, or the Chief Executive Officer or such other officer designated by the Chairman of the Board, if one is elected, or the Chief Executive Officer. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, telex, telecopy, telegram, or other written form of electronic communication, sent to his or her business or home address, at least 24 hours in advance of the meeting, or by written notice mailed to his or her business or home address, at least 48 hours in advance of the meeting. A majority of the directors, the Chairman of the Board, if one is elected, or the Chief Executive Officer may call for a special meeting on less than 24 hours' notice (but no less than 6 hours' notice), if such shorter notice period is reasonably determined to be necessary or appropriate under the circumstances. Such notice shall be deemed to be delivered when hand delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if faxed, telexed or telecopied, or when delivered to the telegraph company if sent by telegram.

When any Board of Directors meeting, either regular or special, is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the hour, date or place of any meeting adjourned for less than 30 days or of the business to be transacted thereat, other than an announcement at the meeting at which such adjournment is taken of the hour, date and place to which the meeting is adjourned.

A written waiver of notice signed before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these By-laws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 11. Quorum. At any meeting of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 10 of this Article II. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present.

SECTION 12. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, a majority of the directors present may take any action on behalf of the Board of Directors, unless otherwise required by law, by the Certificate or by these By-laws.

SECTION 13. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing. Such written consent shall be filed with the records of the meetings of the Board of Directors and shall be treated for all purposes as a vote at a meeting of the Board of Directors.

SECTION 14. Manner of Participation. Directors may participate in meetings of the Board of Directors by means of conference telephone or similar communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting for purposes of these By-laws.

SECTION 15. Committees. The Board of Directors, by vote of a majority of the directors then in office, may elect from its number one or more committees, including, without limitation, an Executive Committee, a Compensation Committee, a Stock Option Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these By-laws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these By-laws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors. The Board of Directors shall have power to rescind any action of any committee, to the extent permitted by law, but no such rescission shall have retroactive effect.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by a majority of the Board of Directors provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

SECTION 17. Chairman of the Board. The Board may elect from among its members a director designated as the Chairman of the Board. The Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall have such other powers and shall perform such other duties as the Board of Directors may from time to time designate.

SECTION 18. Lead Director. Unless the Chairman of the Board is an independent director (within the meaning of the New York Stock Exchange listing standards), the Board shall appoint a lead director, who will generally be the Chairman of the Nominating and Governance Committee, unless the Board determines that special circumstances warrant otherwise. The principal responsibilities of the lead director, if one has been appointed, will be determined from time to time by the Board, in consultation with the selected lead director, but are expected to include serving as a key source of communication between the independent directors and the Chief Executive Officer of the Corporation, and coordinating the agenda for and leading meetings of the independent directors.

ARTICLE III.

Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a Chief Executive Officer, a Treasurer, a Secretary and such other officers, including, without limitation, a Chairman of the Board of Directors, a President, a Chief Financial Officer, a Chief Operating Officer, a General Counsel and one or more Managing Directors, Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine.

SECTION 2. Election. At the regular annual meeting of the Board, the Board of Directors shall elect the Chief Executive Officer, the Treasurer and the Secretary. Other officers may be elected by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time. Any officer may be required by the Board of Directors to give bond for the faithful performance of his or her duties in such amount and with such sureties as the Board of Directors may determine.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these Bylaws, each of the officers of the Corporation shall hold office until the regular annual meeting of the Board of Directors and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation addressed to the Chief Executive Officer or the Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

SECTION 6. Removal. Except as otherwise provided by law, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. Chief Executive Officer. The Chief Executive Officer shall, subject to the direction of the Board of Directors, have general supervision and control of the Corporation's business. If there is no Chairman of the Board or if he or she is absent, the Chief Executive Officer shall preside, when present, at all meetings of stockholders and of the Board of Directors. The Chief Executive Officer shall have such other powers and perform such other duties as the Board of Directors may from time to time designate.

SECTION 10. President. The President, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. Managing Directors and Vice Presidents. Any Managing Director and any Vice President (including any Executive Vice President or Senior Vice President) shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 12. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 13. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In his or her absence from any such meeting, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and responsibilities.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 14. Other Powers and Duties. Subject to these By-laws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

ARTICLE IV.

Capital Stock

SECTION 1. Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by the Chairman of the Board of Directors, the Chief Executive Officer or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. The Corporation seal and the signatures by the Corporation's officers, the transfer agent or the registrar may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law.

SECTION 2. Transfers. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock may be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

It shall be the duty of each stockholder to notify the Corporation of his or her post office address and any changes thereto.

SECTION 4. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting and (b) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

ARTICLE V.

Indemnification

SECTION 1. Definitions. For purposes of this Article:

(a) “Director” means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(b) “Officer” means any person who serves or has served the Corporation as an officer appointed by the Board of Directors of the Corporation;

(c) “Non-Officer Employee” means any person who serves or has served as an employee of the Corporation, but who is not or was not a Director or Officer;

(d) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitrative or investigative;

(e) “Expenses” means all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(f) “Corporate Status” describes the status of a person who (i) in the case of a Director, is or was a director of the Corporation and is or was acting in such capacity, (ii) in the case of an Officer, is or was an officer, employee or agent of the Corporation or is or was a director, officer, employee, trustee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such Officer is or was serving at the request of the Corporation, and (iii) in the case of a Non-Officer Employee, is or was an employee of the Corporation or is or was a director, officer, employee, trustee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such Non-Officer Employee is or was serving at the request of the Corporation; and

(g) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding.

SECTION 2. Indemnification of Directors and Officers. Subject to the operation of Section 4 of this Article V, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment) against any and all Expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by such Director or Officer or on such Director or Officer's behalf in connection with any threatened, pending or completed Proceeding or any claim, issue or matter therein, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding was authorized by the Board of Directors of the Corporation.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall continue as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized by the Board of Directors of the Corporation.

SECTION 4. Good Faith. No indemnification shall be provided pursuant to this Article V to a Director, to an Officer or to a Non-Officer Employee with respect to a matter as to which such person shall have been finally adjudicated in any Proceeding (i) not to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and (ii) with respect to any criminal Proceeding, to have had reasonable cause to believe his or her conduct was unlawful. In the event that a Proceeding is compromised or settled prior to final adjudication so as to impose any liability or obligation upon a Director, an Officer or a Non-Officer Employee, no indemnification shall be provided pursuant to this Article V to said Director, Officer or Non-Officer Employee with respect to a matter if there be a reasonable good faith determination that with respect to such matter such person did not act in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful. The determination contemplated by the preceding sentence shall be made (a) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) by a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though less than a quorum of the Board of Directors, (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so direct, by independent counsel in a written opinion, or (d) by the stockholders of the Corporation.

SECTION 5. Advancement of Expenses to Directors and Officers Prior to Final Disposition. The Corporation shall advance all Expenses incurred by or on behalf of any Director or Officer in connection with any Proceeding in which such Director or Officer is involved by reason of such Director or Officer's Corporate Status within ten days after the receipt by the Corporation of a written statement from such Director or Officer requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director or Officer and shall be preceded or accompanied by an undertaking by or on behalf of such Director or Officer to repay any Expenses so advanced if it shall ultimately be determined that such Director or Officer is not entitled to be indemnified against such Expenses.

SECTION 6. Advancement of Expenses to Non-Officer Employees Prior to Final Disposition. The Corporation may, in the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Non-Officer Employee in connection with any Proceeding in which such Non-Officer Employee is involved by reason of such Non-Officer Employee's Corporate Status upon the receipt by the Corporation of a statement or statements from such Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such Non-Officer Employee to repay any Expenses so advanced if it shall ultimately be determined that such Non-Officer Employee is not entitled to be indemnified against such Expenses.

SECTION 7. Contractual Nature of Rights. The foregoing provisions of this Article V shall be deemed to be a contract between the Corporation and each Director and Officer who serves in such capacity at any time while this Article V is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any Proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts. If a claim for indemnification or advancement of Expenses hereunder by a Director or Officer is not paid in full by the Corporation within (a) 60 days after the Corporation's receipt of a written claim for indemnification, or (b) 10 days after the Corporation's receipt of documentation of Expenses and the required undertaking, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification or advancement of Expenses under this Article V shall not be a defense to the action and shall not create a presumption that such indemnification or advancement is not permissible.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Article V shall not be exclusive of any other right which any Director, Officer or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Corporation's Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Article V.

ARTICLE VI.

Miscellaneous Provisions

SECTION 1. Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on the last day of December of each year.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by the Chairman of the Board, if one is elected, the Chief Executive Officer or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or Executive Committee may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, the Chairman of the Board, if one is elected, the Chief Executive Officer or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or stockholders of any other corporation or organization, any of whose securities are held by this Corporation.

SECTION 5. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

SECTION 6. Corporate Records. The original or attested copies of the Certificate, Bylaws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at the office of its counsel or at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 7. Amendment of By-laws.

(a) Amendment by Directors. Except as provided otherwise by law, these By-laws may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the directors then in office.

(b) Amendment by Stockholders. These By-laws may be amended or repealed at any Annual Meeting of stockholders, or special meeting of stockholders called for such purpose, by the affirmative vote of a at least two-thirds of the shares present in person or represented by proxy at such meeting and entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the shares present in person or represented by proxy at such meeting and entitled to vote on such amendment or repeal, voting together as a single class.

Adopted and effective as of November 7, 2022

Exhibit 31.1

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

I, Jay C. Horgen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2022

/s/ JAY C. HORGEN

Jay C. Horgen
President and Chief Executive Officer

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Exhibit 31.1

Exhibit 31.2

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

I, Thomas M. Wojcik, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 7, 2022

/s/ THOMAS M. WOJCIK

Thomas M. Wojcik
Chief Financial Officer

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Exhibit 31.2

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc. (the "Company") for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jay C. Horgen, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

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

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

Date: November 7, 2022

/s/ JAY C. HORGEN

Jay C. Horgen
President and Chief Executive Officer

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Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc. (the "Company") for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Thomas M. Wojcik, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

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

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

Date: November 7, 2022

/s/ THOMAS M. WOJCIK

Thomas M. Wojcik
Chief Financial Officer

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Exhibit 32.2