

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 20, 1998

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

Delaware
(State or other jurisdiction
of incorporation)

001-13459
(Commission file number)

043218510
(IRS employer
identification no.)

Two International Place, 23rd Floor, Boston, MA 02110
(Address of principal executive offices) (Zip Code)

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

Item 2. Acquisition or Disposition of Assets

On March 20, 1998, Affiliated Managers Group, Inc. ("AMG") acquired a 68% interest in Essex Investment Management Company, LLC ("Essex"), successor to Essex Investment Management Company, Inc. In the transaction, a wholly-owned subsidiary of AMG merged into Essex Investment Company, Inc. with AMG paying \$69.6 million in a combination of cash and the assumption of liabilities (all of which were satisfied at closing), and 1,750,942 shares of AMG's newly designated Series C Non-Voting Convertible Stock (the "Series C Stock"). Each share of Series C Stock will automatically convert into one share of AMG's Common Stock, \$.01 par value per share, on March 20, 1999, or upon certain extraordinary events. Following the transaction, senior executives at Essex own the remaining 32% interest in Essex.

This transaction will be accounted for under the purchase method of accounting. AMG financed the cash portion of the purchase price out of borrowings under AMG's existing \$300 million revolving credit facility.

Essex is a Boston-based investment advisor which manages approximately \$4.6 billion for a variety of institutional and private clients. Founded in 1976 by Joseph C. McNay, Chairman and Chief Investment Officer, Essex specializes in investing in growth equities and fixed income securities employing a fundamental research-driven approach. As part of the transaction, Mr. McNay, as well as Steven D. Cutler, President, and Steven R. Clark, Executive Vice President, entered into ten (10) year employment contracts with Essex.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Businesses Acquired.

Audited balance sheets of Essex Investment Management Company, Inc. as of November 30, 1997 and November 30, 1996 and audited statements of income and cash flows for the three years ended November 30, 1997.

To be filed by amendment on or before June 3, 1998.

(b) Pro Forma Financial Statements.

Pro forma condensed balance sheet as of December 31, 1997, pro forma condensed statements of income for the year then ended, and accompanying explanatory notes.

To be filed by amendment on or before June 3, 1998.

(c) Exhibits.

Number Description

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2.7 Agreement and Plan of Reorganization, dated as of January 15, 1998, by and among Affiliated Managers Group, Inc., Constitution Merger Sub, Inc., Essex Investment Management Company, Inc. and certain stockholders of Essex Investment Management Company, Inc. (1)

- 2.8 Amendment to Agreement and Plan of Reorganization dated March 19, 1998, by and among Affiliated Managers Group, Inc., Constitution Merger Sub, Inc., Essex Investment Management Company, Inc. and certain of the stockholders of Essex Investment Management Company, Inc. (1)
- 10.15 Essex Investment Management Company, LLC Amended and Restated Limited Liability Company Agreement dated March 20, 1998, by and among Affiliated Managers Group, Inc. and the members identified therein. (1)
- 10.16 Form of Employment Agreement. (1)
- 99.1 Press release, dated January 15, 1998 (filed for informational purposes).
- 99.2 Press Release, dated March 20, 1998.

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(1) Incorporated by reference to the exhibit of that number in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.

SIGNATURES

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

AFFILIATED MANAGERS GROUP, INC.

By: /s/ Sean M. Healey

Name: Sean M. Healey
Title: Executive Vice President

DATE: April 3, 1998

EXHIBIT INDEX

Number	Description
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10.14	Amended and Restated Limited Liability Company Agreement of Essex Investment Management Company, LLC, dated March 20, 1998. (1)
10.15	Form of Employment Agreement. (1)
99.1	Press release, dated January 15, 1998 (filed for informational purposes).
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(1) Incorporated by reference to the exhibit of that number in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.

AFFILIATED MANAGERS GROUP, INC. TO MAKE INVESTMENT IN ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

BOSTON, Jan. 15 --Affiliated Managers Group, Inc. (NYSE: AMG) and Essex Investment Management Company, Inc. ("Essex") announced today that they have reached a definitive agreement to merge a subsidiary of AMG with Essex, following which AMG will own 68% of Essex's successor, Essex Investment Management Company, LLC, with management acquiring the remaining 32%.

Essex is a Boston-based investment advisor which manages approximately \$4.3 billion for a variety of institutional and private clients. Founded in 1976, by Joseph C. McNay, Chairman and Chief Investment Officer, Essex specializes in investing in growth equities and fixed income securities employing a fundamental research-driven approach. AMG is a Boston-based asset management holding company which acquires majority interests in mid-sized investment management firms. AMG's strategy is to generate growth through investments in new affiliates, as well as through the internal growth of existing affiliated firms. Currently, AMG has ten affiliates with aggregate assets under management of over \$45 billion.

Essex will become the first new affiliate for AMG since AMG's initial public offering in November of 1997. Upon closing of the transaction, AMG will have eleven affiliates which will collectively manage approximately \$50 billion. William J. Nutt, AMG's President and Chief Executive Officer noted that, "We are extraordinarily pleased to form a partnership with Essex and its management team. We have long been impressed with Essex's remarkable investment performance and client service, which have resulted in consistently strong growth. With an excellent management team, a diverse client base, and a disciplined investment process which is employed across numerous product offerings, Essex is exactly the kind of leading investment management firm AMG seeks as an affiliate."

Mr. McNay said, "We were seeking a partner to help Essex with ownership succession in a manner which provides for continued ownership in our firm for current and future generations. Of the entities which have approached us over the years, AMG offered the ideal combination of autonomy and retained ownership which is best for Essex clients and employees."

AMG will purchase all of the outstanding stock of Essex in a merger transaction, after which the business of Essex will be contributed to a new limited liability company, Essex Investment Management Company, LLC. AMG will pay \$69.6 million in cash, in addition to approximately 1.75 million shares of newly-issued AMG non-voting convertible stock, and will receive a 68% interest in the successor firm. The stock will automatically convert into AMG common stock on a 1:1 exchange ratio after one year. Essex's operations will remain unchanged and current management, who will hold the remaining ownership interest, will continue to oversee the operations of their firm. In addition, certain key employees of Essex will sign long term employment agreements with the firm.

Essex provides investment advisory services to defined benefit plans, endowments, foundations,

partnerships and private individuals. The firm believes that exhaustive fundamental research, active portfolio management, and an investment culture focused on identifying company earnings growth, profitability, and franchise opportunities will achieve superior investment returns. Since its founding 22 years ago, Essex has successfully expanded its product offerings to apply this discipline to Small Cap, Mid Cap, Large Cap, Hedge Funds, Venture Capital, and Fixed Income portfolios. The firm's principals, analysts, and portfolio managers have an average of 21 years of investment experience.

AMG was founded in December 1993 to address the succession and transition issues facing the founders and owners of many mid-sized investment firms. AMG's investment structure allows individual members of each affiliate's management to retain or receive significant direct ownership in their firm while maintaining operating autonomy. In addition, AMG provides centralized assistance to its affiliates, when requested, in strategic matters, marketing, product development and operations support. AMG's shareholders include TA Associates, Chase Capital, NationsBank, and The Hartford, as well as AMG management and the management of its affiliates. AMG's common stock is listed on the NYSE under the symbol "AMG."

The transaction is expected to close upon receipt of customary approvals.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, and other risks detailed from time to time in AMG's filings with the Securities and Exchange Commission ("SEC"). Reference is hereby made to the "Risk Factors" set forth in the Prospectus dated November 20, 1997, included as part of the Registration Statement on Form S-1 originally filed with the SEC on August 29, 1997, as amended.

Affiliated Managers Group, Inc. Completes Transaction
Essex Investment Management Company, LLC

BOSTON, March 20 /PRNewswire/ -- Affiliated Managers Group, Inc. (NYSE: AMG - -news) announced today that it has closed its previously announced investment in Essex Investment Management Company, LLC ("Essex"). Essex is a Boston-based investment advisor which manages approximately \$4.6 billion for a variety of institutional and private clients. Founded by Joseph C. McNay, Chairman and Chief Investment Officer, Essex specializes in investing in growth equities and fixed income securities employing a fundamental research-driven approach.

AMG is a Boston-based asset management holding company which acquires majority interests in mid-sized investment management firms. AMG's strategy is to generate growth through investments in new affiliates, as well as through the internal growth of existing affiliated firms.

Essex becomes AMG's eleventh affiliate and the first since AMG's initial public offering in November of 1997. Including Essex, AMG's affiliates collectively manage over \$50 billion. AMG's investment structure allows individual members of each affiliate's management to retain or receive significant direct ownership in their firm, while maintaining operating autonomy. In addition, AMG provides assistance to its affiliates, when requested, in areas such as marketing, distribution, product development and operations support.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, and other risks detailed from time to time in AMG's filings with the Securities and Exchange Commission ("SEC"). Reference is hereby made to the "Risk Factors" set forth in the Prospectus dated November 20, 1997, included as part of the Registration Statement on Form S-1 originally filed with the SEC on August 29, 1997, as amended.