

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

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

a) Financial Statements of Business Acquired

Essex Investment Management, Inc.

Report of Independent Accountants

Balance Sheets as of November 30, 1997, 1996 and 1995

Statements of Operations for the years ended November 30, 1997,
1996 and 1995

Statements of Stockholders' Equity for the years ended November 30,
1997, 1996 and 1995

Statements of Cash Flows for the years ended November 30, 1997,
1996 and 1995

Notes to Financial Statements

b) Pro Forma Financial Information

Introduction to Unaudited Pro Forma Consolidated Financial
Statements

Unaudited Pro Forma Consolidated Statements of Operations for the
year ended December 31, 1997

Unaudited Pro Forma Consolidated Statements of Operations for the
three months ended March 31, 1998

Notes to Unaudited Pro Forma Consolidated Statements of Operations

ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 1997, 1996 AND 1995

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
Essex Investment Management Company, Inc.:

We have audited the accompanying balance sheets of Essex Investment Management Company, Inc. as of November 30, 1997, 1996 and 1995, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Essex Investment Management Company, Inc. as of November 30, 1997, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ Coopers & Lybrand L.L.P.

Boston, Massachusetts
April 24, 1998

ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

BALANCE SHEETS

AS OF NOVEMBER 30, 1997, 1996 AND 1995
(IN THOUSANDS)

ASSETS	1997	1996	1995
	----	----	----
Current assets:			
Cash and cash equivalents	\$ 4,658	\$ 3,864	\$ 5,042
Accounts receivable	2,741	1,894	466
Unbilled management fees	8,889	7,465	20,884
Prepaid expenses and other current assets	1,428	787	173
	-----	-----	-----
Total current assets	17,716	14,010	26,565
	-----	-----	-----
Investments in limited partnerships and other investments	7,786	6,575	3,592
Fixed assets, net	1,115	1,146	1,358
Other receivables	4,448	4,085	1,006

Other assets	537	336	264
	-----	-----	-----
Total assets	\$31,602	\$26,152	\$32,785
	-----	-----	-----
	-----	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 282	\$ 116	\$ 538
Amounts due former stockholders	668	1,110	689
Dividend payable	284	350	169
Accrued salaries	19,679	13,922	19,929
Accrued state income taxes	14	14	9
Deferred state income taxes	140	140	140
	-----	-----	-----
Total current liabilities	21,067	15,652	21,474
	-----	-----	-----
Commitments (Note 9)			
Stockholders' equity:			
Common stock, \$1 par value - authorized, 250,000 shares; issued and outstanding, 31,550 shares in 1997, 1996 and 1995	32	32	32
Common stock, nonvoting Class A, \$1 par value - authorized, 25,000 shares; issued and outstanding, 14,950 shares in 1997, 14,400 shares in 1996 and 16,800 shares in 1995	15	14	17
Additional paid-in capital	3,847	3,721	4,061
Retained earnings	6,641	6,932	7,283
	-----	-----	-----
	10,535	10,699	11,393
Less stock subscriptions receivable	--	(199)	(82)
	-----	-----	-----
Total stockholders' equity	10,535	10,500	11,311
	-----	-----	-----
Total liabilities and stockholders' equity	\$31,602	\$26,152	\$32,785
	-----	-----	-----
	-----	-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED NOVEMBER 30, 1997, 1996 AND 1995
(IN THOUSANDS)

	1997	1996	1995
	----	----	----
Revenue:			
Asset-based management fees	\$31,716	\$27,808	\$19,581
Performance-based management fees	4,699	3,836	17,718
Special allocation earned from limited partnerships	2,302	1,577	377
Other	360	582	450
	-----	-----	-----
Total revenue	39,077	33,803	38,126
	-----	-----	-----
Expenses:			
Salaries and benefits	36,104	29,891	36,048
Occupancy	2,030	1,820	1,833

Travel and entertainment	958	973	652
Professional fees	667	295	381
Investment and other purchased services	343	264	251
Other	285	397	162
Interest	97	136	12
	-----	-----	-----
Total expenses	40,484	33,776	39,339
	-----	-----	-----
Income (loss) before equity in earnings of limited partnerships and provision for income taxes	(1,407)	27	(1,213)
	-----	-----	-----
Equity in earnings of limited partnerships	1,408	130	1,284
	-----	-----	-----
Income before provision for income taxes	1	157	71
Provision for income taxes	--	5	50
	-----	-----	-----
Net income	\$ 1	\$ 152	\$ 21
	-----	-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED NOVEMBER 30, 1997, 1996 AND 1995
(IN THOUSANDS)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	STOCK SUBSCRIPTIONS RECEIVABLE	TOTAL
	VOTING	NONVOTING CLASS A				
Balance, December 1, 1994	\$ 32	\$ 15	\$ 3,680	\$ 7,434	\$ (49)	\$ 11,112
Sale of nonvoting Class A common stock		2	381		(124)	259
Buyback of nonvoting Class A common stock				(3)		(3)
Promissory notes paid					91	91
Dividends				(169)		(169)
Net income				21		21
	-----	-----	-----	-----	-----	-----
Balance, November 30, 1995	32	17	4,061	7,283	(82)	11,311
Sale of nonvoting Class A common stock		1	405		(242)	164
Buyback of nonvoting Class A common stock		(4)	(745)	(153)		(902)
Promissory notes paid					125	125
Dividends				(350)		(350)
Net income				152		152
	-----	-----	-----	-----	-----	-----
Balance, November 30, 1996	32	14	3,721	6,932	(199)	10,500
Sale of nonvoting Class A common stock		1	208		(207)	2
Buyback of nonvoting Class A common stock		--	(82)	(8)		(90)
Promissory notes paid					406	406
Dividends				(284)		(284)
Net income				1		1
	-----	-----	-----	-----	-----	-----
Balance, November 30, 1997	\$ 32	\$ 15	\$ 3,847	\$ 6,641	--	\$ 10,535
	-----	-----	-----	-----	-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 1997, 1996 AND 1995
(IN THOUSANDS)

	1997	1996	1995
	----	----	----
Cash flows from operating activities:			
Net income	\$ 1	\$ 152	\$ 21
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	398	361	333
Common stock issued as compensation	2	45	43
Special allocation and equity in earnings of limited partnerships	(3,710)	(1,707)	(1,662)
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(847)	(1,428)	2,208
(Increase) decrease in unbilled management fees	(1,423)	13,419	(17,703)
(Increase) decrease in prepaid expenses and other current assets	(641)	(614)	107
(Increase) in other receivables	(363)	(3,079)	(1,006)
(Increase) decrease in other assets	(201)	(71)	(72)
Increase (decrease) in accounts payable and accrued salaries	5,923	(6,429)	18,230
(Decrease) increase in amounts due former stockholders	(443)	421	(132)
Increase in accrued state income tax	--	5	--
	-----	-----	-----
Net cash (used in) provided by operating activities	(1,034)	1,075	367
	-----	-----	-----
Cash flows from investing activities:			
Capital expenditures	(367)	(149)	(138)
Withdrawals from limited partnership interests	(1,829)	(1,295)	(935)
Purchase of limited partnership interests	4,328	18	2,004
	-----	-----	-----
Net cash provided by (used in) investing activities	2,132	(1,426)	931
	-----	-----	-----
Cash flows from financing activities:			
Repurchase of common stock	(90)	(902)	(3)
Proceeds from sale of stock	--	119	216
Proceeds from stock subscriptions receivable	406	125	91
Dividends paid	(350)	(169)	(1,108)
	-----	-----	-----
Net cash used in financing activities	(34)	(827)	(804)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	794	(1,178)	494
Cash and cash equivalents, beginning of year	3,864	5,042	4,548
	-----	-----	-----
Cash and cash equivalents, end of year	\$ 4,658	\$ 3,864	\$ 5,042
	-----	-----	-----
Supplemental disclosure of cash flow information:			
Cash paid during the year for income taxes	--	\$ 50	\$ 110
	-----	-----	-----
Supplemental disclosure of noncash investing and financing activities:			
Noncash financed sale of common stock	\$ 207	\$ 242	\$ 124
	-----	-----	-----
	-----	-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION

Essex Investment Management Company, Inc. (the "Company") is a Subchapter S Corporation incorporated under the laws of The Commonwealth of Massachusetts on December 3, 1976. The Company performs investment advisory services for individuals and fiduciaries. Asset-based management fees are earned based upon periodic market values of the various portfolios managed by the Company. Clients are billed at the end of each calendar quarter for the three previous months. Performance-based management fees are generally earned based upon a percentage of the increase in value of the various portfolios due solely to the appreciation in value of securities plus interest, dividends or other income for the year and are billed annually. Unbilled performance-based and asset-based management fees are accrued at the end of each reporting period.

INVESTMENTS

The Company's investments in Limited Partnerships are accounted for under the equity method (Note 3).

FIXED ASSETS

Fixed assets are carried at cost; depreciation and amortization are computed over the estimated useful lives of the assets (five to ten years) using the straight-line method.

INCOME TAXES

The Company follows the liability method in accounting for income taxes. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amount for financial statement purposes; such differences are referred to as temporary differences. The current or deferred tax consequences are measured by applying the provisions of enacted tax laws to determine the amount of taxes payable currently or in future years.

CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CONTINUED

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(DOLLARS IN THOUSANDS)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Company's assets and liabilities which constitute financial instruments as defined in Statement of Financial Accounting Standards No. 107 approximate their recorded value.

2. FIXED ASSETS:

Fixed assets consist of the following:

	1997	1996	1995
	----	----	----
Office furniture and equipment	\$ 2,186	\$ 1,819	\$ 1,670
Leasehold improvements	495	495	495
Intangible	211	211	211
	-----	-----	-----
	2,892	2,525	2,376
Accumulated depreciation	(1,777)	(1,379)	(1,018)
	-----	-----	-----
	\$ 1,115	\$ 1,146	\$ 1,358
	-----	-----	-----
	-----	-----	-----

Depreciation and amortization expense for the years ended November 30, 1997, 1996 and 1995 was \$399, \$361 and \$333, respectively.

3. INVESTMENTS IN LIMITED PARTNERSHIPS AND OTHER INVESTMENTS:

The Company's interest in limited partnerships and other investments consist of:

	1997	1996	1995
	----	----	----
Essex Special Growth Opportunity Fund Limited Partnership	\$ 2,490	\$ 1,928	\$ 1,884
Essex High Technology Fund	2,311	2,077	145
Essex Flexport Fund Limited Partnership	1,503	885	76
Essex Performance Fund Limited Partnership	629	1,229	1,320
Essex Safe Harbor Hedge Fund Limited Partnership	422	245	--
Corn Hill Series Limited Partnership	230	129	50
Spruce Investment Partners Limited Partnership	186		
Essex Short Fund Limited Partnership	--	50	67
Other investments	15	32	32
MSX Life Sciences Partners Limited Partnership	--	--	18
	-----	-----	-----
Total	\$ 7,786	\$ 6,575	\$ 3,592
	-----	-----	-----
	-----	-----	-----

CONTINUED

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(DOLLARS IN THOUSANDS)

4. INCOME TAXES:

The provision for income taxes for 1997, 1996 and 1995 was \$0, \$5 and \$50, respectively, and consisted of current taxes resulting from differences in reporting for financial statements purposes and tax purposes.

The Company has Subchapter S Corporation status and is therefore exempt from federal income tax payments. Taxable federal income is passed through to the stockholders of the Company who are taxed based on their pro rata shares of the Company's income. Accordingly, no provision for federal income taxes is recorded.

The Company is liable for Massachusetts income taxes at a rate of 4.5% for 1997, 1996 and 1995. The stockholders of the Company will also be taxed on their pro rata shares of the Company's income.

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating loss and tax credit carryforwards. The tax effects of significant items comprising the Company's net deferred tax liabilities as of November 30, 1997, 1996 and 1995 are as follows:

	1997 ----	1996 ----	1995 ----
Deferred tax liabilities	\$ 1,060	\$ (970)	\$ (1,100)
Deferred tax assets	920	830	960
	-----	-----	-----
Net deferred tax liabilities	\$ (140)	\$ (140)	\$ (140)
	-----	-----	-----

The temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes primarily relate to accounts receivable, unbilled management and performance fees, and accrued salaries and bonuses.

5. STOCKHOLDERS' EQUITY:

A shareholders' agreement provides for the sale and redemption of the Company's stock at its discretion, at prices and payment terms as defined therein. The shareholders' agreement provides that the Company will redeem the outstanding shares of any shareholder in the event of death or termination of the shareholder's employment.

During 1997, the Company issued 900 shares of nonvoting Class A common stock for consideration of \$207 in promissory notes. The difference between the sale price and the fair value of the issued stock, as determined by the formula price defined in the shareholders' agreement, was recorded as compensation. This expense aggregated \$2.

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(DOLLARS IN THOUSANDS)

During 1996, the Company issued 1,700 shares of nonvoting Class A common stock for consideration of \$361. The consideration consisted of \$119 in cash and promissory notes of \$242. The difference between the sale price and the fair value of the issued stock, as determined by the formula price defined in the shareholders' agreement was recorded as compensation. This expense aggregated \$45.

During 1995, the Company issued 1,700 shares of nonvoting Class A common stock for consideration of \$340. The consideration consisted of \$216 in cash and promissory notes of \$124. The difference between the sale price

and the fair value of the issued stock, as determined by the formula price defined in the shareholders' agreement was recorded as compensation. This expense aggregated \$43.

6. DIVIDENDS:

On November 30, 1997, the Board of Directors (the "Board") approved the payment of a dividend of \$284 for shareholders of record as of November 30, 1997. The dividend was paid on January 12, 1998.

On November 30, 1996, the Board of Directors approved the payment of a dividend of \$350 for shareholders of record as of November 30, 1996. The dividend was paid on January 15, 1997.

On November 30, 1995, the Board of Directors approved the payment of a dividend of \$169 for shareholders of record as of November 30, 1995. The dividend was paid on January 15, 1996.

7. PENSION AND PROFIT-SHARING PLANS:

The Company has a qualified, trustee profit-sharing plan and defined contribution pension plan for substantially all employees. The Company's annual contributions to the plans as determined by the Board of Directors are discretionary, but may not exceed amounts deductible for federal income tax purposes. Individual participation in the contributions to the plans is based upon the employee's proportionate share of annual compensation. For the years ended November 30, 1997, 1996 and 1995, the Company's contributions to the plans aggregated approximately \$894, \$817 and \$802, respectively.

CONTINUED

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(DOLLARS IN THOUSANDS)

8. RELATED PARTY TRANSACTIONS:

The Company has investment management agreements with certain Limited Partnerships in which it has a general partnership interest (Note 3). Certain limited partners of such partnerships are also officers of the Company. Under the investment management agreements, the Company receives an asset-based fee and a performance-based fee for providing investment advice and other services. Beginning in 1997, the performance-based fee was replaced with an annual special allocation for all Limited Partnerships subject to performance-based fees. For certain Limited Partnerships a special allocation was received prior to 1997. The annual asset-based fees are based on the net asset values of the partnerships, ranging from 1% to 1.5% and are generally billed quarterly. Prior to January 1, 1997, the performance fees were billed annually, were generally based on either the net change in net assets resulting from operations (as defined) or net realized and unrealized capital gains and losses, and ranged from 15% to 20% of such amounts. The annual special allocation is equal to 15% of the net profits (as defined) of certain of the Limited Partnerships and is allocated from the limited partners' capital accounts to the general partner's capital account.

The Company earned performance-based management fees of \$395 and \$4,348 for 1996 and 1995, respectively and asset-based management fees of \$1,621, \$1,894 and \$1,281 for 1997, 1996 and 1995, respectively, from such Limited Partnerships. Unbilled performance-based and asset-based management fees amounted to \$266, \$357 and \$4,610 at November 30, 1997, 1996 and 1995, respectively.

The Company also has an investment management agreement with the New Discovery Fund Limited (the "Fund"), of which certain directors of its general partner are also officers of the Company. The annual management

fee for providing investment advice and other services is .25 of 1% of the net asset value of the Fund as of the last day of each calendar quarter. The annual performance fee is equal to 15% of the net realized and unrealized capital gains and losses for the year. The Company earned performance fees of \$1,147, \$652 and \$231, and management fees of \$747, \$350 and \$191 in 1997, 1996 and 1995, respectively. Unbilled performance-based and asset-based management fees amounted to \$1,213, \$756 and \$274 at November 30, 1997, 1996 and 1995, respectively.

In addition, the Company provides investment management services to the New England Foundation, the trustees of which are also officers of the Company. The Company earned \$78, \$81 and \$72 for these services for 1997, 1996 and 1995, respectively. Unbilled asset-based management fees amounted to \$13, \$13 and \$18 at November 30, 1997, 1996 and 1995, respectively, and are included in unbilled performance-based and asset-based management fees.

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ESSEX INVESTMENT MANAGEMENT COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(DOLLARS IN THOUSANDS)

9. COMMITMENTS:

The Company leases office space and equipment under noncancelable lease arrangements which expire in December 2002. Future minimum lease payments, by year, at November 30, 1997 approximate the following amounts:

FISCAL YEAR ENDING	
1998	\$ 739
1999	966
2000	927
2001	910
2002	910
Thereafter	76

	\$ 4,528

Rental expense under all operating leases amounted to approximately \$673, \$627, and \$627 for the years ended November 30, 1997, 1996 and 1995, respectively.

10. SUBSEQUENT EVENT:

On January 15, 1998, Affiliated Managers Group, Inc. ("AMG"), its wholly-owned subsidiary, Constitution Merger Sub, Inc. ("Merger Sub"), and the Company, entered into a definitive agreement whereby the Company merged with and into Merger Sub after which the Company contributed all of its assets and liabilities to Essex Investment Management Company, LLC, of which the Company is the manager member. On March 20, 1998, this transaction was completed.

b) Introduction to Unaudited Pro Forma Consolidated Statements of Operations

The following tables set forth the unaudited pro forma consolidated statements of operations of Affiliated Managers Group, Inc. (the "Company") for the year ended December 31, 1997 and the three months ended March 31, 1998, after giving effect to (i) investments made during 1997 (the "Prior Investments"); (ii) the recent investment in Essex Investment Management Company, LLC (the "Essex Investment") described in the Form 8-K filed April 3, 1998; (iii) a 50-for-1 stock split of the Company's Common Stock effected in the form of a stock dividend, the exercise of all warrants to purchase shares of the Company's convertible preferred stock (the "Convertible Preferred Stock") and the conversion of all outstanding shares of the Convertible Preferred Stock into Common Stock upon consummation of the Offering and the issuance of 78,700 shares of Common Stock to shareholders of an Affiliate (the "Recapitalization"); (iv) the Company's initial public offering (the "Offering"), completed November 21, 1997; and the application of net proceeds therefrom; and (v) the replacement of the Company's credit facility completed in December 1997.

The unaudited pro forma consolidated statements of operations assume each of the above transactions occurred on January 1, 1997. No pro forma balance sheet has been filed because the Essex Investment is included in the Company's March 31, 1998 balance sheet filed in the Company's Form 10-Q filed May 15, 1998.

The accompanying unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997 and also the Company's Form 10-Q for the three months ended March 31, 1998. The unaudited pro forma consolidated financial statements have been prepared by the Company based, in part, on the audited financial statements of Essex under the Securities Exchange Act of 1934, which financial statements are not intended to be indicative of the results that would have occurred if the transactions had occurred on the dates indicated or which may be realized in the future.

AFFILIATED MANAGERS GROUP, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE YEAR ENDED DECEMBER 31, 1997
 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Historical	Adjustments for Prior Investments and Financing Transactions (A)	Essex	Essex Adjustments	Pro Forma as Adjusted for Essex
Revenues	\$95,287	\$51,872	\$39,077	\$383 (B)	\$186,619
Operating expenses:					
Compensation and related expenses	41,619	12,532	36,104	(20,868) (C)	69,387
Amortization of intangible assets	6,643	8,253	--	3,163 (D)	18,059
Depreciation and other amortization	1,915	1,058	399	--	3,372
Selling, general and administrative	18,912	4,944	3,599	--	27,455
Other operating expenses	3,637	470	285	--	4,392
	72,726	27,257	40,387	(17,705)	122,665
Operating income	22,561	24,615	(1,310)	18,088	63,954
Non-operating (income) and expenses:					
Investment and other income	(1,174)	(17)	(1,408)	--	(2,599)
Interest expense	8,479	3,007	97	4,471 (E)	16,054
	7,305	2,990	(1,311)	4,471	13,455
Income before minority interest and income taxes	15,256	21,625	1	13,617	50,499
Minority interest	(12,249)	(8,978)	--	(6,800) (C)	(28,027)
Income before income taxes	3,007	12,647	1	6,817	22,472
Income taxes	1,364	5,211	--	2,863 (F)	9,438
Net income	\$1,643	\$7,436	\$1	\$3,954	\$13,034
Net income per share -- basic	\$0.72				\$0.67
Net income per share -- diluted	\$0.20				\$0.67
Average shares outstanding -- basic	2,270,684				19,323,309 (G)
Average shares outstanding -- diluted	8,235,529				19,518,855 (G)

AFFILIATED MANAGERS GROUP, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 31, 1998
 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Historical	Essex	Adjustments	Pro Forma as Adjusted for Essex
	-----	-----	-----	-----
Revenues	\$45,723	\$8,097	\$--	\$53,820
Operating expenses:				
Compensation and related expenses	16,615	6,169	(4,229) (C)	18,555
Amortization of intangible assets	3,829	--	680 (D)	4,509
Depreciation and other amortization	513	97		610
Selling, general and administrative	6,783	1,194		7,977
Other operating expenses	1,290	701		1,991
	-----	-----	-----	-----
	29,030	8,161	(3,549)	33,642
	-----	-----	-----	-----
Operating income	16,693	(64)	3,549	20,178
Non-operating (income) and expenses:				
Investment and other income	(311)	(102)		(413)
Interest expense	3,074	38	865 (E)	3,977
	-----	-----	-----	-----
	2,763	(64)	865	3,564
	-----	-----	-----	-----
Income before minority interest and income taxes	13,930	--	2,684	16,614
Minority interest	(6,493)	--	(1,407) (C)	(7,900)
	-----	-----	-----	-----
Income before income taxes	7,437	--	1,277	8,714
Income taxes	2,975	--	685 (F)	3,660
	-----	-----	-----	-----
Net income	\$4,462	\$--	\$592	\$5,054
	-----	-----	-----	-----
Net income per share -- basic	\$0.25			\$0.26
Net income per share -- diluted	\$0.25			\$0.26
Average shares outstanding -- basic	17,594,555			19,363,934 (G)
Average shares outstanding -- diluted	18,176,428			19,693,911 (G)

Notes to Unaudited Pro Forma Consolidated Statements of Operations

- (A) Reflects the combined historical results of the Prior Investments beginning January 1, 1997 and ending on the respective dates of investment and pro forma adjustments primarily relating to (i) adjustments to expenses to give effect to the contractually agreed upon cash flow distribution obligations of the Prior Investments; \$2.8 million; (ii) increases in minority interest expense to give effect to accrued cash flow distributions as determined under the organizational documents of the Prior Investments; \$8.9 million; (iii) amortization of intangible assets arising in connection with the investments; \$8.2 million; (iv) interest expense related to debt incurred to finance the Prior Investments, net of repayments that have occurred through March 31, 1998; \$3.0 million and; (v) the tax effects of the above; \$5.2 million.
- (B) Reflects adjusting Essex's reported revenues based on a November 30 fiscal year to a calendar year.
- (C) Reflects the reduction in compensation expense to give effect to contractually agreed upon cash flow distribution obligations of Essex and increases in minority interest expense to give effect to accrued cash flow distributions as determined under the

organizational documents of the Essex Investment.

- (D) Reflects increased amortization expense for intangible assets recorded in the Essex Investment.
- (E) Reflects increased interest expense on the funds borrowed for the Essex Investment.
- (F) Reflects income tax expense at a statutory rate of 42% on the net earnings of Essex as adjusted for Notes (B) through (E).
- (G) Includes shares of the Company's Series C Non-Voting stock issued in connection with the investment in Essex and also the shares of the Company's Common Stock issued in the Initial Public Offering.

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/ Darrell W. Crate

Name: Darrell W. Crate
Title: Senior Vice President,
Chief Financial Officer
and Treasurer

DATE: June 3, 1998