AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 29, 1997

REGISTRATION STATEMENT NO. 333-34679

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 4

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

DELAWARE	6719	04-32-18510
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

TWO INTERNATIONAL PLACE, 23RD FLOOR
BOSTON, MASSACHUSETTS 02110
(617) 747-3300
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive office)

WILLIAM J. NUTT
PRESIDENT AND CHIEF EXECUTIVE OFFICER
AFFILIATED MANAGERS GROUP, INC.
TWO INTERNATIONAL PLACE, 23RD FLOOR
BOSTON, MASSACHUSETTS 02110
(617) 747-3300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

MARTIN CARMICHAEL III, P.C.	DAVID B. HARMS, ESQ.
GOODWIN, PROCTER & HOAR LLP	SULLIVAN & CROMWELL
Exchange Place	125 Broad Street
Boston, Massachusetts 02109	New York, New York 10004
(617) 570-1000	(212) 558-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ] ______________

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] ______________

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered(1)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, $0.01 par value	$185,150,000	$56,107

(1) The shares of Common Stock are not being registered for the purpose of offers or sales outside the United States.

(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(3) $3,031 of the fee has been previously paid by the Company.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED OCTOBER 29, 1997

7,000,000 SHARES

[LOGO] AFFILIATED MANAGERS GROUP, INC.

COMMON STOCK

(PAR VALUE $.01 PER SHARE)

Of the 7,000,000 shares of Common Stock offered, 5,600,000 shares are being offered hereby in the United States and 1,400,000 shares are being offered in a concurrent international offering outside the United States. The initial public offering price and the aggregate underwriting discount per share will be identical for both Offerings. See "Underwriting".

Prior to these Offerings, there has been no public market for the Common Stock of the Company, and there can be no assurance that an active trading market will develop or be sustained to support future transactions in the shares of Common Stock sold in the Offerings. It is currently estimated that the initial public offering price per share will be between $20 and $23. For factors to be considered in determining the initial public offering price, see "Underwriting".

PURCHASERS OF SHARES OF COMMON STOCK SOLD IN THE OFFERINGS WILL EXPERIENCE IMMEDIATE AND SUBSTANTIAL NET TANGIBLE BOOK VALUE DILUTION OF $33.01 PER SHARE.

SEE "RISK FACTORS" BEGINNING ON PAGE 9 FOR CERTAIN CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE COMMON STOCK.

The Common Stock has been approved for listing, subject to notice of issuance, on the New York Stock Exchange under the symbol "AMG".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	INITIAL PUBLIC OFFERING PRICE	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Share................................	$	$	$
Total(3).................................	$	$	$

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(1) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".

(2) Before deducting estimated expenses of $1,717,500 payable by the Company.

(3) The Company has granted the U.S. Underwriters an option for 30 days to purchase up to an additional 840,000 shares at the initial public offering price per share, less the underwriting discount, solely to cover over-allotments. Additionally, the Company has granted the International Underwriters a similar option with respect to an additional 210,000 shares as part of the concurrent International Offering. If such options are exercised in full, the total initial public offering price, underwriting discount and proceeds to the Company will be $, $ and $, respectively. See "Underwriting".

The shares offered hereby are offered severally by the U.S. Underwriters, as specified herein,
subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that certificates for the shares

will be ready for delivery in New York, New York, on or about , 1997, against payment therefor in immediately available funds.

GOLDMAN, SACHS & CO.

BT ALEX. BROWN

MERRILL LYNCH & CO.

SCHRODER & CO. INC.

The date of this Prospectus is , 1997.

[GRAPHS--ASSETS UNDER MANAGEMENT & EBITDA CONTRIBUTION]

[Graphical depiction of growth in assets under management from June 30, 1994 to June 30, 1997; vertical axis of assets under management (in billions) ranging from $0 to $45 billion; horizontal axis is chronology of June 1994 through June 1997; graph includes indication of approximate date the Company completed each of its ten investments; line graph begins at approximately $1 billion in June 1994 and rises to approximately $41 billion in June 1997.]

[Pie chart display of EBITDA Contribution(1) pro forma six months ended June 30, 1997 by client type, asset class and distribution channel; first pie chart depicting EBITDA Contribution by client type showing institutional, mutual funds, high net worth and other asset types representing 50%, 29%, 15% and 6% of EBITDA Contribution, respectively; second pie chart depicting asset class EBITDA Contribution with equities, tactical asset allocation/currencies and fixed income at 83%, 12% and 5%, respectively; third pie chart depicting EBITDA Contribution by geography with domestic investments and global investments(2) representing 64% and 36%, respectively.]

(1) THE COMPANY HOLDS INTERESTS IN TEN INVESTMENT MANAGEMENT FIRMS (THE "AFFILIATES"). THE COMPANY HOLDS A MAJORITY INTEREST IN ALL BUT ONE OF THE AFFILIATES. EBITDA CONTRIBUTION REPRESENTS THE PORTION OF AN AFFILIATE'S REVENUES THAT IS ALLOCATED TO THE COMPANY, AFTER AMOUNTS RETAINED BY THE AFFILIATE FOR COMPENSATION AND DAY-TO-DAY OPERATING AND OVERHEAD EXPENSES, BUT BEFORE THE INTEREST, TAX, DEPRECIATION AND AMORTIZATION EXPENSES OF THE AFFILIATE. EBITDA CONTRIBUTION DOES NOT INCLUDE HOLDING COMPANY EXPENSES. THE COMPANY BELIEVES THAT EBITDA CONTRIBUTION MAY BE USEFUL TO INVESTORS AS AN INDICATOR OF EACH AFFILIATE'S CONTRIBUTION TO THE COMPANY'S ABILITY TO SERVICE DEBT, TO MAKE NEW INVESTMENTS AND TO MEET WORKING CAPITAL REQUIREMENTS. EBITDA CONTRIBUTION IS NOT A MEASURE OF FINANCIAL PERFORMANCE UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND SHOULD NOT BE CONSIDERED AN ALTERNATIVE TO NET INCOME AS A MEASURE OF OPERATING PERFORMANCE OR TO CASH FLOWS FROM OPERATING ACTIVITIES AS A MEASURE OF LIQUIDITY. EBITDA CONTRIBUTION AND EBITDA, AS CALCULATED BY THE COMPANY, MAY NOT BE CONSISTENT WITH COMPARABLE COMPUTATIONS BY OTHER COMPANIES. EBITDA CONTRIBUTION ACROSS ALL AFFILIATES BY ASSET CLASS, CLIENT TYPE, AND GEOGRAPHY OF INVESTMENT IS DETERMINED BY EMPLOYING THE FOLLOWING CONVENTION: EACH AFFILIATE'S EBITDA CONTRIBUTION FOR THAT PERIOD IS MULTIPLIED BY THE PERCENTAGE OF ITS PERIOD END ASSETS UNDER MANAGEMENT IN THE RELEVANT CATEGORY. THE SUM OF THE EBITDA CONTRIBUTION BY CATEGORY FOR ALL AFFILIATES CONSTITUTES THE EBITDA CONTRIBUTION TO THE COMPANY IN THAT CATEGORY FOR THE PERIOD.

(2) GLOBAL INVESTMENTS CONSIST OF ACCOUNTS INVESTED PRIMARILY IN NON-U.S. MARKETABLE SECURITIES.

CERTAIN PERSONS PARTICIPATING IN THE OFFERINGS MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE COMMON STOCK, INCLUDING OVER-ALLOTMENT, STABILIZING AND SHORT-COVERING TRANSACTIONS IN SUCH SECURITIES AND THE IMPOSITION OF A PENALTY BID, IN CONNECTION WITH THE OFFERINGS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. In this Prospectus, unless otherwise indicated, the financial information for Affiliated Managers Group, Inc. ("AMG" or the "Company") as of any date or for any period gives pro forma effect to each of the investments the Company has made to date and the related financings as if each such transaction had been completed as of such date or the beginning of such period. Except as otherwise indicated, all references in this Prospectus to "assets under management" include assets directly managed as well as assets underlying overlay strategies which employ futures, options or other derivative securities to achieve a particular investment objective.

THE COMPANY

AMG is an asset management holding company which acquires majority interests in mid-sized investment management firms. The Company's strategy is to generate growth through investments in new affiliates, as well as through the internal growth of existing affiliated firms. With the completion of its investment in Tweedy, Browne Company LLC ("Tweedy, Browne"), the Company's most recent and largest investment to date, AMG has grown since its founding in December 1993 to ten investment management firms (the "Affiliates") with over $40 billion in assets under management.

AMG has developed an innovative transaction structure (the "AMG Structure") which it believes is a superior succession planning alternative for growing mid-sized investment management firms. The Company believes that the AMG Structure appeals to target firms for both financial and operational reasons:

- The AMG Structure allows owners of mid-sized investment management firms to sell a portion of their interest, while ongoing management retains a significant ownership interest, with the opportunity to realize value for that interest in the future.

- The AMG Structure provides management of each Affiliate with autonomy over the day-to-day operations of their firm, and includes a revenue sharing arrangement which provides that a specified percentage of revenues are retained to pay operating expenses at the discretion of the Affiliate's management.

The Company believes that the AMG Structure distinguishes AMG from other acquirors of investment management firms which generally seek to own 100% of their target firms and, in many cases, seek to participate in the day-to-day management of such firms. AMG believes that the opportunity for managers of each Affiliate to realize the value of their retained equity interest makes the AMG Structure particularly appealing to managers of firms who anticipate strong future growth and provides those managers with an ongoing incentive to continue to grow their firm.

AMG's Affiliates have achieved substantial internal growth in assets under management. For the nine months ended September 30, 1997 the Affiliates increased their assets under management 55%. Tweedy, Browne, AMG's largest Affiliate, based on EBITDA Contribution*, achieved growth of 49% in assets under management for the same period. The Affiliates manage assets across a diverse range of investment styles, asset classes and client types, with significant participation in fast-growing segments such as equities, global investments and mutual funds. For the six months ended June 30, 1997 investments in equity securities represented 83% of EBITDA Contribution, while global investments represented 36% of EBITDA Contribution. For the same period, mutual fund assets represented 29% of EBITDA Contribution. Other asset classes, including fixed income, represented 17% of EBITDA Contribution; domestic investments represented 64% of EBITDA Contribution; and institutional, high net worth and other client types represented 71% of EBITDA Contribution for the same period. The three largest Affiliate mutual funds, Tweedy, Browne American

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* EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to the Company, after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, tax, depreciation and amortization expenses of the Affiliate. EBITDA Contribution does not include holding company expenses. The Company believes that EBITDA Contribution may be useful to investors as an indicator of each Affiliate's contribution to the Company's ability to service debt, to make new investments and to meet working capital requirements. EBITDA Contribution is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA Contribution and EBITDA, as calculated by the Company, may not be consistent with comparable computations by other companies.

Value, Tweedy, Browne Global Value and Skyline Special Equities, which represented approximately 95% of the Company's total mutual fund assets under management at September 30, 1997, are each rated "five stars", by Morningstar, Inc., and these funds' assets increased 122%, 60% and 111%, respectively, for the nine months ended September 30, 1997.

On an historical basis, the Company had net income of $706,000 and net loss after extraordinary item of $256,000 for the six months ended June 30, 1997 and 1996, respectively, a net loss after extraordinary item of $2.4 million for the year ended December 31, 1996 and a net loss of $2.9 million for the year ended December 31, 1995. See "Recent Developments" for a discussion of certain unaudited operations data and other financial data for the nine months ended September 30, 1997.

AMG believes that significant opportunities exist for future growth through acquisitions of equity interests in additional mid-sized investment management firms. The Company estimates that there are approximately 1,200 firms in the United States, Canada, and the United Kingdom in this category (which the Company generally defines as firms with assets under management of between $500 million and $10 billion). AMG believes that, in the coming years, a substantial number of investment opportunities will arise as founders of such firms approach retirement age and begin to plan for succession. The Company also anticipates that there will be significant additional investment opportunities among firms which are currently wholly-owned by larger entities. AMG believes that it is well positioned to take advantage of these investment opportunities because it has a management team with substantial industry experience and expertise in structuring and negotiating transactions, as well as a highly organized process for identifying and contacting investment prospects.

AMG AFFILIATES

AFFILIATE	PRINCIPAL LOCATION(S)	DATE OF INVESTMENT	AMG'S EQUITY OWNERSHIP PERCENTAGE AS OF SEPTEMBER 30, 1997	ASSETS UNDER MANAGEMENT AS OF SEPTEMBER 30, 1997
				(IN MILLIONS)
The Burridge Group LLC ("Burridge")	Chicago	December 1996	55.0%	$ 1,514
First Quadrant, L.P.; First Quadrant Limited (collectively, "First Quadrant")	Pasadena, CA; London	March 1996	66.2	24,559(1)
GeoCapital, LLC ("GeoCapital")	New York	September 1997	60.0	2,375
Gofen and Glossberg, L.L.C. ("Gofen and Glossberg")	Chicago	May 1997	55.0	3,626
J.M. Hartwell Limited Partnership ("Hartwell")	New York	May 1994	75.8	344
Paradigm Asset Management Company, L.L.C. ("Paradigm")	New York	May 1995	30.0	1,871
Renaissance Investment Management ("Renaissance")	Cincinnati	November 1995	66.7	1,463
Skyline Asset Management, L.P. ("Skyline")	Chicago	August 1995	64.0	1,238
Systematic Financial Management, L.P. ("Systematic")	Fort Lee, NJ	May 1995	90.7	1,003
Tweedy, Browne Company LLC ("Tweedy, Browne")	New York; London	October 1997	71.2	5,113
Total				$ 43,106

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(1) Includes directly managed assets of $8.0 billion and $16.6 billion of assets indirectly managed using overlay strategies ("overlay strategies") which employ futures, options or other derivative securities to achieve a particular investment objective. These overlay strategies are intended to add incremental value to the underlying portfolios, which may or may not be directly managed by First Quadrant, and generate advisory fees which are generally at the lower end of the range of those generated by First Quadrant's directly managed portfolios.

THE OFFERINGS

Common Stock offered(1):	
United States Offering............	5,600,000 shares
International Offering............	1,400,000 shares
Total.........................	7,000,000 shares
Common Stock to be outstanding after the Offerings(1)(2)......................	16,085,950 shares
Use of proceeds.........................	The net proceeds to the Company from the offering made in the United States (the "U.S. Offering") and the concurrent international offering (the "International Offering" and, together with the U.S. Offering, the "Offerings") are estimated to be $139.0 million, all of which are expected to be used to reduce indebtedness of the Company. See "Use of Proceeds".
New York Stock Exchange symbol..........	AMG

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(1) Does not include shares of Common Stock that may be sold by the Company pursuant to the Underwriters' over-allotment options. See "Underwriting".

(2) Excludes 682,500 shares of Common Stock reserved for issuance upon the exercise of outstanding options pursuant to the Company's 1995 Incentive Stock Plan (the "1995 Plan") and the Company's 1997 Stock Option and Incentive Plan (the "1997 Stock Plan"). See "Management -- Compensation, Benefit and Retirement Plans".

SUMMARY RISK FACTORS

Before purchasing shares of the Common Stock offered by this Prospectus, prospective investors should consider carefully, in addition to the other information contained in this Prospectus, the matters set forth under the caption "Risk Factors". Such risks include, among others:

- - The Company's growth strategy and investments may not be successful, and the Company may not be able to locate suitable investments in the future

- - The Company may continue to have future operating losses

- - Future debt and equity financings could adversely affect the Company and its stockholders

- - The Company's existing indebtedness and its plans to use debt to finance future acquisitions could adversely affect the Company's financial condition

- - The Company could be adversely affected by additional write-offs of intangible assets from current and future investments

- - The performance of the Company and its Affiliates may be adversely affected by changes in economic and market conditions, and there can be no assurance that future market performance will be favorable or that growth in assets under management by Affiliates may be sustained

- - Poor performance by Tweedy, Browne would adversely affect the Company's results of operations and financial condition

- - The Affiliates' investment management contracts are subject to termination on short notice, and since the Company's revenues are related to the Affiliates' assets under management, changes in clients' accounts and fluctuations in securities prices could adversely affect the Company's revenues

- - The Company and its Affiliates rely on key management personnel whose continued service is not guaranteed, and the loss of senior management at either level would adversely affect client relationships and the Company's business

- - The Company could be adversely affected by liens on interests in Affiliates, limitations on payment of distributions by Affiliates, and contingent repurchase obligations

- - The Company's ability to alter the management practices and policies of its Affiliates is limited in certain respects

- - The Company may be exposed to liabilities incurred by the Affiliates, and there can be no assurance that existing insurance coverage will be sufficient to offset such liabilities

- - The businesses of the Company and its Affiliates are highly competitive, and certain competitors have greater resources than the Company, which may affect the Company's ability to compete for future investments, and the ability of the Affiliate to compete for client assets, all of which could adversely affect the Company's business

- - Risks inherent in international operations could adversely affect the Company

- - The business of each of the Affiliates is highly regulated, and the failure of the Company or an Affiliate to comply with such regulation could result in fines and other sanctions

- - The ability to effect a change of control of the Company could be limited by certain provisions of the Company's charter and by-laws and Delaware law, even if such a change would be beneficial to the stockholders, which could limit the market price of the Common Stock

- - Certain stockholders may have the ability to exert significant influence over the board of directors of the Company and thus influence the outcome of certain corporate transactions requiring stockholder approval

- - Purchasers of Common Stock in the Offerings will experience immediate and substantial dilution in the net tangible book value per share of Common Stock purchased in the Offerings

- - The Company does not plan to pay dividends, and its agreement with its senior lenders prohibits dividends and other distributions to stockholders

- - The lack of a prior public market, variations in equity market conditions, and the shares eligible for future sale could adversely affect the market price of the Common Stock

BENEFITS TO RELATED PARTIES

Chase Equity Associates, L.P. ("Chase Equity Associates"), which will be the beneficial owner of approximately 10.4% of the Common Stock after giving effect to the Offerings, and The Chase Manhattan Bank, which is an affiliate of Chase Equity Associates, will realize material benefits from the Offerings, in that the Company will use the net proceeds from the Offerings, estimated to be $139.0 million, to repay approximately $60.0 million of subordinated debt owed to Chase Equity Associates and approximately $79.0 million of borrowings under a senior credit facility (the "Credit Facility") with a syndicate of banks managed by The Chase Manhattan Bank. See "Use of Proceeds". Chase Equity Associates is a limited partnership whose sole limited partner is an affiliate of Chase Manhattan Corporation (the parent company of The Chase Manhattan Bank) and whose sole general partner has as its partners certain employees of The Chase Manhattan Bank (including John M. B. O'Connor, a director of the Company) and an affiliate of Chase Manhattan Corporation.

Unless otherwise indicated, information in this Prospectus assumes no exercise of the Underwriters' over-allotment options and has been adjusted to reflect: (i) exercise of all warrants to purchase shares of the Company's convertible preferred stock (the "Convertible Preferred Stock"), the conversion of all outstanding shares of Convertible Preferred Stock into shares of Common Stock and the issuance of shares of Common Stock to the shareholders of an Affiliate, in each case upon consummation of the Offerings; and (ii) a 50-for-1 stock split of the Common Stock, effected retroactively for all periods presented in the form of a stock dividend (collectively, the "Recapitalization"). Except as otherwise indicated, all references in this Prospectus to "Common Stock" include the Class B Non-Voting Common Stock, par value $.01 per share (the "Class B Common Stock"), which is not being offered in the Offerings, and the Common Stock.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The summary historical consolidated statement of operations data and balance sheet data set forth below are derived in the relevant periods from the consolidated financial statements and the notes thereto of the Company. The Company's consolidated financial statements have been audited by Coopers & Lybrand L.L.P., independent accountants, as of December 31, 1995 and 1996, and for each of the three years in the period ended December 31, 1996, and are included elsewhere in this Prospectus, together with the report of Coopers & Lybrand L.L.P. thereon. The summary historical consolidated income statement data for the six months ended June 30, 1996 and 1997 and balance sheet data at June 30, 1997, presented below, were derived from the Company's unaudited consolidated financial statements that are included elsewhere in this Prospectus and include, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial information for such periods. The results of operations for the six months ended June 30, 1996 and 1997 are not necessarily indicative of the results of operations to be expected for the full year. The unaudited pro forma consolidated financial information is not necessarily indicative of the results that might have occurred had such transactions actually taken place at the beginning of the period specified and is not intended to be a projection of future results. This summary historical and pro forma financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Company's consolidated financial statements and the notes thereto, the Company's Unaudited Pro Forma Consolidated Financial Information and the notes thereto, and the other financial information included elsewhere in this Prospectus.

	HISTORICAL					PRO FORMA SIX MONTHS ENDED JUNE 30,	PRO FORMA AS ADJUSTED SIX MONTHS ENDED JUNE 30,
	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,			
	1994	1995	1996	1996	1997	1997(1)	1997(1)(2)
	(IN THOUSANDS, EXCEPT AS INDICATED AND PER SHARE DATA)						
STATEMENT OF OPERATIONS DATA							
Revenues	$5,374	$14,182	$50,384	$19,495	$ 32,870	$ 65,562	$ 65,562
Operating expenses:							
Compensation and related expenses	3,591	6,018	21,113	7,945	11,222	19,307	19,307
Amortization of intangible assets	774	4,174	8,053	1,674	2,043	7,377	7,477
Depreciation and other amortization	19	133	932	270	671	1,390	1,204
Other operating expenses	1,000	2,567	13,115	5,693	13,232	16,861	16,861
Total operating expenses	5,384	12,892	43,213	15,582	27,168	44,935	44,849
Operating income (loss)	(10)	1,290	7,171	3,913	5,702	20,627	20,713
Non-operating (income) and expenses:							
Investment and other income	(966)	(265)	(337)	(408)	(438)	(442)	(442)
Interest expense	158	1,244	2,747	1,311	1,707	15,647	8,070
	(808)	979	2,410	903	1,269	15,205	7,628
Income before minority interest, income taxes and extraordinary item	798	311	4,761	3,010	4,433	5,422	13,085
Minority interest(3)	(305)	(2,541)	(5,969)	(2,305)	(3,632)	(9,345)	(9,345)
Income (loss) before income taxes	493	(2,230)	(1,208)	705	801	(3,923)	3,740
Income taxes (benefit)	699	706	181	(22)	95	694	1,571
Income (loss) before extraordinary item	(206)	(2,936)	(1,389)	727	706	(4,617)	2,169
Extraordinary item	--	--	(983)	(983)	--	--	--
Net income (loss)	$ (206)	$(2,936)	$(2,372)	$ (256)	$ 706	$ (4,617)	$ 2,169
Net income (loss) per share(4)	$(0.05)	$ (0.58)	$ (0.36)	$ (0.04)	$ 0.10	$ (0.51)	$ 0.13
OTHER FINANCIAL DATA							
Assets under management (at period end, in millions)	$ 755	$ 4,615	$19,051	$16,048	$ 34,468	$ 41,172	$ 41,172
EBITDA(5)	1,444	3,321	10,524	3,960	5,222	20,491	20,491
Cash net income(6)	587	1,371	7,596	2,671	3,420	4,150	10,850
Cash flow from operating activities	818	1,292	6,185	912	8,711	12,047	18,747
Cash flow used in investing activities	(6,156)	(37,781)	(29,210)	(28,565)	(11,797)	(326,892)	(326,892)
Cash flow from financing activities	9,509	46,414	15,650	19,443	9,632	327,107	327,107

	HISTORICAL JUNE 30, 1997	PRO FORMA JUNE 30, 1997(1)	PRO FORMA AS ADJUSTED JUNE 30, 1997(2)
		(IN THOUSANDS)	
BALANCE SHEET DATA			
Current assets	$ 26,027	$ 33,687	$ 33,687
Acquired client relationships	35,785	143,716	144,456
Goodwill	43,034	254,372	255,481
Total assets	113,769	452,824	449,885
Current liabilities	13,108	20,888	16,598
Senior debt	48,900	285,275	206,275
Subordinated debt	--	59,600	800
Total liabilities	66,035	364,290	226,490
Minority interest(3)	8,545	8,545	8,545
Preferred stock	43,976	84,776	--
Stockholders' equity	39,189	79,989	214,850

(1) Pro forma data give effect to: (i) the investments made during the year ended December 31, 1996 and the six months ended June 30, 1997 (the "Prior Investments"); (ii) the recent investments in Tweedy, Browne and GeoCapital which occurred subsequent to June 30, 1997, including the issuance of $9.6 million of Class D Convertible Preferred Stock in connection with the investment in GeoCapital (the "Subsequent Investments"); and (iii) cash received from borrowings under the Company's new $300 million senior credit facility, from the issuance of $60 million face amount of subordinated debt and from the issuance of $30 million of Class C Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock in connection with the Subsequent Investments (the "Recent Financing"). See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Unaudited Pro Forma Consolidated Financial Information and the notes thereto included elsewhere in this Prospectus.

(2) Pro forma as adjusted data give effect to: (i) the Recapitalization; and (ii) the sale of 7,000,000 shares of Common Stock in the Offerings (at an assumed initial public offering price of $21.50 per share) and the receipt and application of the estimated net proceeds therefrom. The Company will record, in the quarter in which the Offerings are consummated, an extraordinary loss on early retirement of debt. As of June 30, 1997, the amount of such loss was estimated to be $6.0 million. See "Use of Proceeds" and "Capitalization".

(3) All but one of the Company's Affiliates are majority-owned subsidiaries (the Company owns less than a 50% interest in Paradigm which is accounted for under the equity method of accounting). The portion of each Affiliate's operating results and net assets that are owned by minority owners of each Affiliate is accounted for as minority interest.

(4) Net income (loss) per share is calculated using the weighted average number of common and common equivalent shares outstanding for the periods indicated. Using Securities and Exchange Commission (the "Commission") directives for companies contemplating an initial public offering, stock options and restricted stock issued within one year of an initial public offering have been included as outstanding shares using the treasury stock method for all periods presented. In addition, the Company's shares of Convertible Preferred Stock are considered common equivalent shares, since their respective dates of issuance, as they convert to shares of Common Stock immediately prior to the consummation of the Offerings. Pro forma net income (loss) per share has been calculated using the weighted average shares outstanding calculated as described above after giving effect to the Recapitalization and to issuances related to the investments made subsequent to January 1, 1996, including the Subsequent Investments, from January 1, 1996. All proceeds received from shares sold in the Offerings will be used to retire debt. Pro forma net income (loss) per share as adjusted is computed using the pro forma weighted average shares outstanding plus the shares from the Offerings, all of which will be used to retire debt, as if such shares were issued at the beginning of the periods presented.

(5) EBITDA represents earnings before interest, income taxes, depreciation, amortization and extraordinary items. The Company believes EBITDA may be useful to investors as an indicator of the Company's ability to service debt, to make new investments and to meet working capital requirements. EBITDA, as calculated by the Company, may not be consistent with computations of EBITDA by other companies. EBITDA is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

(6) Cash net income represents earnings after income taxes but before depreciation and amortization and extraordinary items. The Company believes cash net income may be useful to investors as another indicator of funds available to the Company, which may be used to make new investments, repay debt obligations, repurchase shares of Common Stock or pay dividends on

Common Stock. Cash net income, as calculated by the Company, may not be consistent with computations of cash net income by other companies. Cash net income is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

RISK FACTORS

This Prospectus contains certain forward-looking statements. The Company's actual results could differ materially from those set forth in the forward-looking statements as a result of matters discussed in the risk factors set forth below and elsewhere in this Prospectus. In addition to the other information contained in this Prospectus, prospective investors should consider carefully the risk factors listed below in evaluating an investment in the shares of Common Stock offered by this Prospectus.

THE COMPANY'S GROWTH STRATEGY AND INVESTMENTS MAY NOT BE SUCCESSFUL

The Company's growth strategy includes acquiring ownership interests in investment management firms. To date, AMG has invested in ten such firms and intends to continue this investment program in the future, subject to its ability to locate suitable investment management firms in which to invest and its ability to negotiate agreements with such firms on acceptable terms. There can be no assurance that AMG will be successful in locating or investing in such firms or that any of such firms will have favorable operating results.

THE COMPANY HAS A LIMITED OPERATING HISTORY AND HAS EXPERIENCED NET LOSSES

The Company has an operating history of fewer than four years and has experienced net losses in each of its first three years of operations. Since inception, the Company's growth has largely been attributable to new investments and such growth may not be sustainable. There can be no assurance that as the Company continues its investment strategy it will not experience net losses in the future, which could have an adverse effect on the Company's results of operations, financial condition and prospects.

FUTURE FINANCINGS COULD ADVERSELY AFFECT THE COMPANY AND ITS STOCKHOLDERS

The Company's acquisitions of interests in investment management firms require substantial capital investments. Although the Company believes that its existing cash resources and cash flow from operations will be sufficient to meet the Company's working capital needs for normal operations for the foreseeable future, these sources of capital are not expected to be sufficient to fund anticipated investments. Therefore, the Company will need to raise capital through the incurrence of additional long-term or short-term indebtedness or the issuance of additional equity securities in private or public transactions in order to complete further investments. This could result in dilution of existing equity positions, increased interest expense or decreased net income. In addition, significant capital requirements associated with such investments may impair the Company's ability to pay dividends (although the Company does not anticipate paying any dividends on its Common Stock in the foreseeable future). There can be no assurance that acceptable financing for future investments can be obtained on suitable terms, if at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

THE COMPANY'S USE OF DEBT TO FINANCE ACQUISITIONS COULD ADVERSELY AFFECT THE COMPANY

Upon completion of the Offerings and assuming the application of net proceeds of the Offerings of approximately $139.0 million to repay certain indebtedness, the Company expects to have approximately $206.3 million of indebtedness outstanding under the Credit Facility, with approximately $15.7 million available under the Credit Facility for future investments and working capital needs (assuming the Company maintains compliance with certain financial ratios). The Company anticipates that it will incur additional indebtedness in the future in connection with investments in investment management firms. The Company plans to seek additional borrowing capacity through the replacement of the existing Credit Facility with a new credit facility. There can be no assurance, however, that the Company will succeed in obtaining all or any portion of such replacement financing, and the Company cannot predict at this time the terms of such financing, if obtained. The Company will be subject to risks normally associated with debt financing. Accordingly, the Company will be subject to the risk that a substantial portion of the Company's cash flow may be required to be dedicated to the payment of the Company's debt service obligations or even that its cash flow will be insufficient to meet required payments of principal and interest. The failure to make any required debt service payments or to comply with any restrictive or financial covenants contained in any debt instrument could give rise to a default permitting acceleration of the debt under such instrument as well as debt under other instruments that contain cross-acceleration or cross-default provisions, which could have an adverse effect on the Company's financial condition and prospects. The Company's borrowings under the Credit Facility are collateralized by pledges of all of its interests in the Affiliates (including all interests in the Affiliates which are directly held by the Company, as well as all interests in the Affiliates which are indirectly held by the Company through wholly-owned subsidiaries), representing in excess of 97% of the Company's assets at June 30, 1997 on a pro forma basis. The Credit Facility contains, and future debt instruments may contain, restrictive covenants that could limit the Company's ability to obtain additional debt financing and could adversely affect the Company's ability to make future investments in investment management firms. The Company's Credit Facility prohibits the payment of dividends and other distributions to stockholders of the Company and restricts the Company, the Affiliates and the Company's other subsidiaries from incurring indebtedness, incurring liens, disposing of assets and engaging in extraordinary transactions. The Company is also required to comply with certain financial covenants on an ongoing basis, with which the Company is currently in compliance. The Company's ability to borrow under the Credit Facility is conditioned upon its compliance with the requirements of the Credit Facility, and any non-compliance with those requirements could give rise to a default entitling the lenders to accelerate all outstanding borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources". In addition, the Credit Facility bears interest at variable rates and future indebtedness may also bear interest at variable rates. An increase in interest rates on such indebtedness would increase the Company's interest expense, which could adversely affect the Company's cash flow and ability to meet its debt service obligations. Although the Company has entered into interest rate hedging contracts designed to offset a portion of the Company's exposure to interest rate fluctuations above certain levels, there can be no assurance that this objective will be achieved, and, if prevailing interest rates drop below a given point, the Company may be obligated to pay a higher interest rate under the hedging contract than would otherwise apply under the actual indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Interest Rate Sensitivity" and "-- Interest Rate Hedging Contracts".

THE COMPANY COULD BE ADVERSELY AFFECTED BY WRITE-OFFS OF ACQUIRED CLIENT RELATIONSHIPS AND GOODWILL

On a pro forma basis at June 30, 1997, the Company's total assets were approximately $452.8 million, of which approximately $398.1 million were intangible assets consisting of acquired client relationships and goodwill. There can be no assurance that the value of such intangible assets will ever be realized by the Company. These intangible assets are being amortized on a straight-line basis over periods ranging from nine to 26 years in the case of acquired client relationships and 15 to 35 years in the case of goodwill. Pro forma for all investments in Affiliates to date, amortization of intangible assets, including goodwill, would have resulted in a charge to operations of $7.4 million for the six months ended June 30, 1997. The Company evaluates each investment and establishes appropriate amortization periods based on the underlying facts and circumstances. Subsequent to each investment, the Company reevaluates, on a regular basis, such facts and circumstances to determine if the related intangible assets continue to be realizable and if the amortization period continues to be appropriate. In 1995 and 1996, such a reevaluation resulted in the write-off of approximately $2.5 million and $4.6 million of unamortized goodwill, respectively. Although at June 30, 1997, the net unamortized balance of intangible assets is not considered to be impaired, any such future determination requiring the write-off of a significant portion of unamortized intangible assets could adversely affect the Company's results of operations and financial position. In addition, the Company intends to invest in additional investment management firms in the future. While these firms will contribute additional revenue to the Company, such investments will also result in the recognition of additional intangible assets which will cause further increases in amortization expense.

THE PERFORMANCE OF THE COMPANY AND ITS AFFILIATES MAY BE ADVERSELY AFFECTED BY CHANGES IN ECONOMIC AND MARKET CONDITIONS

The Company's Affiliates offer a broad range of investment management services and styles to institutional and retail investors. Across all the Affiliates, the Company operates in a number of sectors within the investment management industry, both with respect to products and distribution channels. Consequently, the Company's performance is directly affected by conditions in the financial and securities markets.

The financial markets and the investment management industry in general have experienced record performance and record growth in recent years. For example, between December 31, 1994 and June 30, 1997, the S&P 500 Index appreciated at a compound annual rate in excess of 30% while, according to the Federal Reserve Board and the Investment Company Institute, aggregate assets under management of mutual and pension funds grew at a compound annual rate approaching 20%. The financial markets and businesses operating in the securities industry, however, are highly volatile and are directly affected by, among other factors, domestic and foreign economic conditions and general trends in business and finance, all of which are beyond the control of the Company. There can be no assurance that broader market performance will be favorable in the future. Any decline in the financial markets or a lack of sustained growth may result in a corresponding decline in performance by the Affiliates and may adversely affect assets under management and/or fees at the Affiliate level, which would reduce cash flow distributable to the Company.

POOR PERFORMANCE BY TWEEDY, BROWNE WOULD ADVERSELY AFFECT THE COMPANY

The Company has recently completed its investment in Tweedy, Browne (the "Tweedy, Browne Investment"). The Tweedy, Browne Investment represents the Company's single largest investment to date, with an aggregate purchase price of approximately $300 million. The addition of Tweedy, Browne significantly increases the aggregate size of AMG's revenue base, representing 36% of the Company's pro forma revenues for the first six months of 1997. Poor financial performance by Tweedy, Browne would have an adverse effect on the Company's results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

THE AFFILIATES' INVESTMENT MANAGEMENT CONTRACTS ARE SUBJECT TO TERMINATION ON SHORT NOTICE

Substantially all of the Affiliates' revenues are derived from investment management contracts which are typically terminable, without the payment of a penalty, in the case of contracts with mutual fund clients, upon 60 days' notice, and, in the case of institutional contracts, upon 30 days' notice. Because of this, clients of the Affiliates may withdraw funds from accounts under management by the Affiliates generally in their sole discretion. In addition, the Affiliates' contracts generally provide for fees payable for investment management services based on the market value of assets under management, although a portion also provide for the payment of fees based on investment performance. Because most contracts provide for a fee based on market values of securities, fluctuations in securities prices may have an adverse effect on the Company's consolidated results of operations and financial condition. Changes in the investment patterns of clients will also affect the total assets under management. In addition, in the case of contracts which provide for the payment of performance-based fees, the investment performance of the Affiliates will affect the Company's consolidated results of operations and financial condition.

Some of the Affiliates' fees are higher than those of other investment managers for similar types of investment services. Each Affiliate's ability to maintain its fee structure in a competitive environment is dependent on the ability of the Affiliate to provide clients with investment returns and service that will cause clients to be willing to pay those fees. There can be no assurance that any given Affiliate will be able to retain its fee structure or, with such fee structure, retain its clients in the future.

THE COMPANY AND ITS AFFILIATES RELY ON KEY MANAGEMENT PERSONNEL WHOSE CONTINUED SERVICE IS NOT GUARANTEED

The Company is dependent on the efforts of Mr. Nutt, its President, Chief Executive Officer and Chairman of the Board of Directors, and Sean M. Healey, its Executive Vice President, and other senior management personnel. Messrs. Nutt and Healey in particular play an important role in identifying suitable investment opportunities for the Company and in structuring and negotiating the terms of the Company's investments in investment management firms. Messrs. Nutt and Healey do not have employment agreements with the Company. The Company also believes that the business of Tweedy, Browne, its largest Affiliate based on EBITDA Contribution, is highly dependent on the services of Christopher H. Browne, William H. Browne and John D. Spears, who have been involved in the management of Tweedy, Browne for over 20 years and who continue to be primarily responsible for all of that firm's investment decisions. Although each of these individuals has entered into a 10-year employment agreement with Tweedy, Browne pursuant to which he has agreed to devote substantially all of his working time to the business and affairs of the firm, this can serve as no guarantee that he will remain with the Company for the specified term of the Agreement. The loss of key management personnel or an inability to attract, retain and motivate sufficient numbers of qualified management personnel on the part of the Company or any of its Affiliates would adversely affect the Company's business. The market for investment managers is extremely competitive and is increasingly characterized by frequent movement by investment managers among different firms. In addition, individual investment managers at the Affiliates often have regular direct contact with particular clients, which can lead to a strong client relationship based on the client's trust in that individual manager. The loss of a key investment manager of an Affiliate could jeopardize the Affiliate's relationships with its clients and lead to the loss of client accounts at such Affiliate. Losses of such accounts could have a material adverse effect on the results of operations and financial condition of the Affiliate and the Company. Although the Company uses a combination of economic incentives, vesting provisions, and, in some instances, non-solicitation agreements and employment agreements as a means of seeking to retain key management personnel at the Company and each of the Affiliates, there can be no assurance that key management personnel will remain with their respective firms.

THE COMPANY COULD BE ADVERSELY AFFECTED BY LIENS ON INTERESTS IN AFFILIATES, LIMITATIONS ON PAYMENT OF DISTRIBUTIONS BY AFFILIATES, AND CONTINGENT REPURCHASE OBLIGATIONS

LIENS ON INTERESTS IN AFFILIATES

Because AMG is structured as a holding company, all of the cash flow at the parent company level consists of distributions received from the Affiliates. Borrowings under the Credit Facility, of which approximately $206.3 million will be outstanding upon completion of the Offerings (assuming net proceeds of $139.0 million from the Offerings) and the receipt and application of the proceeds therefrom, are secured by AMG's interests in the Affiliates.

LIMITATION ON PAYMENT OF DISTRIBUTIONS BY AFFILIATES

While AMG's agreements with the Affiliates contain provisions pursuant to which each Affiliate has agreed to pay to AMG a specified percentage of such Affiliate's gross revenues, there can be no assurance that distributions will always be made by the Affiliates to AMG or as to the amounts of any distributions. See "Business -- AMG Structure and Relationship with Affiliates -- Revenue Sharing Arrangements". In the organizational documents of each Affiliate, the distributions to AMG represent only a portion of the revenues of the Affiliate, with the remainder being retained by the Affiliate or distributed to its management team. In addition, the payment of distributions to AMG may be subject to limitations under the laws of the jurisdiction of organization of each of the Affiliates, regulatory requirements, claims of creditors of each such Affiliate and applicable bankruptcy and insolvency laws.

CONTINGENT REPURCHASE OBLIGATIONS

In connection with its investments in each of its Affiliates, AMG has agreed to purchase ownership interests retained by the Affiliate's management team in certain amounts, at certain times and at certain prices. Consequently, AMG may be required to pay cash or issue new shares of Common Stock to its Affiliates' managers, and its ownership interests in its Affiliates may change from time to time, which may have an adverse affect on the Company's cash flow and liquidity. See "Business -- AMG Structure and Relationship with Affiliates - -- Capitalization of Retained Interest".

THE COMPANY'S ABILITY TO ALTER THE MANAGEMENT PRACTICES AND POLICIES OF ITS AFFILIATES IS LIMITED

Although AMG retains both the authority to prevent and cause certain types of activities by the Affiliates and has voting and veto rights regarding significant decisions pursuant to its agreements with the Affiliates, the Affiliates are authorized to manage and conduct their own day-to-day operations, including matters relating to employees who are not also owners, investment management policies and fee structures, product development, client relationships, compensation programs and compliance activities. Accordingly, under these agreements, AMG generally does not alter Affiliate day-to-day decisions, policies and strategies. Similarly, an Affiliate's non-compliance with regulatory requirements that AMG might detect if it operated the business of the Affiliates itself may not be detected by AMG as quickly, if at all, which may adversely affect the Company's financial condition and results of operations. See "Risk Factors -- Regulation". In addition, because each Affiliate is responsible for its own marketing and client relations, Affiliates may, from time to time, compete with each other for clients. See "Business -- AMG Structure and Relationship with Affiliates".

THE COMPANY MAY BE EXPOSED TO LIABILITIES INCURRED BY ITS AFFILIATES

Certain of the Company's existing Affiliates are organized as partnerships that include the Company as a general partner. Consequently, to the extent any such Affiliate incurs liabilities or expenses which exceed its ability to pay or fulfill such liabilities or expenses, the Company would be liable for their payment.

In addition, in the context of certain liabilities, the Company could be held liable, as a control person, for acts of Affiliates or their employees. The Company and each of its Affiliates maintains errors and omissions and general liability insurance in amounts which the Company and its Affiliates' management consider appropriate. There can be no assurance, however, that a claim or claims will not exceed the limits of available insurance coverage, that any insurer will remain solvent and will meet its obligations to provide coverage, or that such coverage will continue to be available with sufficient limits or at a reasonable cost. A judgment against any of the Affiliates or the Company in excess of available coverage could have a material adverse effect on the Company. See "Business -- Corporate Liability and Insurance".

THE BUSINESSES OF THE COMPANY AND ITS AFFILIATES ARE HIGHLY COMPETITIVE

The Company operates as an asset management holding company organized to invest in mid-sized investment management firms. The market for partial or total acquisitions of interests in investment management firms is highly competitive. The Company is aware of several other holding companies which have been organized to invest in or acquire investment management firms, and the Company views these firms as among its competitors. In addition, numerous other companies, both privately and publicly held, including commercial and investment banks, insurance companies, and investment management firms, most of which have longer established operating histories and significantly greater resources than the Company, make investments in and acquire investment management firms. Certain of the Company's principal stockholders also pursue investments in, and acquisitions of, investment management firms and the Company may, from time to time, encounter competition from such principal stockholders with respect to certain investments. There can be no assurance that the Company will be able to compete effectively with such competitors, that additional competitors will not enter the market or that such competition will not make it more difficult or impracticable for the Company to make investments in investment management firms. See "Business -- Competition".

The investment management business is also highly competitive. Each of the Affiliates competes with a broad range of investment managers, including public and private investment advisers as well as affiliates of securities broker-dealers, banks, insurance companies and other entities. From time to time, Affiliates may also compete with each other for clients. Many of the Affiliates' competitors have greater resources than any of the Affiliates and than the Company and the Affiliates on a consolidated basis. In addition to competing directly for clients, competition can impact the Affiliates' fee structures. The Company believes that each Affiliate's ability to compete effectively with other firms is dependent upon the Affiliate's products, level of investment performance and client service, as well as the marketing and distribution of its investment products. There can be no assurance that the Affiliates will be able to achieve favorable investment performance and retain their existing clients. See "Business -- Competition".

RISKS INHERENT IN INTERNATIONAL OPERATIONS COULD ADVERSELY AFFECT THE COMPANY

First Quadrant Limited is organized and headquartered in London, England. In addition, Tweedy, Browne and other Affiliates are investment advisers to certain funds which are organized under non-U.S. jurisdictions, including Luxembourg and Bermuda. In the future, the Company may seek to invest in other investment management firms which are located and/or conduct a significant part of their operations outside of the United States. There are certain risks inherent in doing business internationally, such as changes in applicable laws and regulatory requirements, difficulties in staffing and managing foreign operations, longer payment cycles, difficulties in collecting investment advisory fees receivable, political instability, fluctuations in currency exchange rates, expatriation controls and potential adverse tax consequences. There can be no assurance that one or more of such factors will not have an adverse effect on First Quadrant Limited or other non-U.S. investment management firms in which the Company may invest in the future and, consequently, on the Company's business, financial condition and results of operations.

THE BUSINESS OF EACH OF THE AFFILIATES IS HIGHLY REGULATED

The business of each of the Affiliates is highly regulated primarily at the federal level, and the business of certain of the Affiliates is subject to the authority of non-U.S. regulators. The failure of an Affiliate to comply with applicable laws or regulations could result in fines, suspensions of individual employees or other sanctions, including revocation of an Affiliate's registration as an investment adviser, commodity trading advisor or broker-dealer. Each Affiliate (other than First Quadrant Limited) is registered with the Commission as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") and is subject to the provisions of the Investment Advisers Act and the Commission's regulations promulgated thereunder. The Investment Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational, and disclosure obligations. Each of the Affiliates (other than First Quadrant Limited) is, as an investment adviser, also subject to regulation under the securities laws and fiduciary laws of certain states. Certain of the Affiliates, including Tweedy, Browne, act as advisers or subadvisers to mutual funds which are registered with the Commission under the Investment Company Act of 1940, as amended (the "1940 Act"). As an adviser or subadviser to a registered investment company, each such Affiliate is subject to requirements under the 1940 Act and the Commission's regulations promulgated thereunder. Each Affiliate is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), and to regulations promulgated thereunder, insofar as they are "fiduciaries" under ERISA with respect to certain of their clients. ERISA and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), impose certain duties on persons who are fiduciaries under ERISA, and prohibit certain transactions involving the assets of each ERISA plan which is a client of an Affiliate, as well as certain transactions by the fiduciaries (and certain other related parties) to such plans. Each of First Quadrant and Renaissance is also registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and each is a member of the National Futures Association. Tweedy, Browne is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as a broker-dealer and thus is subject to extensive regulation with respect to sales methods, trading practices, the use and safekeeping of customers' funds and securities, capital structure, record keeping and the conduct of directors, officers and employees.

In addition, applicable law provides that the investment management contracts under which Affiliates manage assets for other parties either terminate automatically if assigned, or are not assignable unless the applicable client consents to the assignment. Assignment, as generally defined, includes direct assignments as well as assignments which may be deemed to occur, under certain circumstances, upon the direct or indirect transfer of a "controlling block" of the voting securities of an Affiliate. Moreover, applicable law provides that all investment contracts with mutual fund clients may be terminated by such clients, without penalty, upon no later than 60 days' notice. Investment contracts with institutional and other clients are typically terminable by the client, also without penalty, upon 30 days' notice.

A number of the Affiliates are subject to the laws of non-U.S. jurisdictions and non-U.S. regulatory agencies or bodies. For example, First Quadrant Limited, located in London, is a member of the Investment Management Regulatory Organisation of the United Kingdom, and Tweedy, Browne and other Affiliates are investment advisers to certain funds which are organized under non-U.S. jurisdictions, including Luxembourg (where they are regulated by the Institute Monetaire Luxembourgeois) and Bermuda (where they are regulated by the Bermuda Monetary Authority).

AMG itself does not manage investments for clients, does not provide any investment management services and, therefore, is not registered as an investment adviser under federal or state law.

THE ABILITY TO EFFECT A CHANGE OF CONTROL OF THE COMPANY COULD BE LIMITED BY PROVISIONS OF THE COMPANY'S CHARTER AND BY-LAWS, AND DELAWARE LAW

Certain provisions of the Company's Amended and Restated Certificate of Incorporation (the "Certificate") and Amended and Restated By-laws (the "By-laws") and Delaware law could, together or separately, discourage potential acquisition proposals, delay or prevent a change in control of the Company, hinder the removal of incumbent directors, and limit the price that certain investors might be willing to pay in the future for shares of the Common Stock, all of which may be beneficial to the interests of the stockholders under certain circumstances. These provisions include the issuance, without further stockholder approval, of preferred stock with rights and privileges which could be senior to the Common Stock. The Company also is subject to Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested stockholder" for a period of three years following the date that such stockholder became an interested stockholder. See "Description of Capital Stock -- Certain Provisions of the Company's Certificate of Incorporation and By-laws" and "-- Statutory Business Combination Provision".

CERTAIN STOCKHOLDERS MAY HAVE THE ABILITY TO EXERT SIGNIFICANT INFLUENCE OVER THE BUSINESS, POLICIES AND AFFAIRS OF THE COMPANY

After giving effect to the sale of the shares of Common Stock sold in the Offerings, investors including investment funds associated with TA Associates, Inc. ("TA Associates"), Hartford Accident and Indemnity Company ("The Hartford"), members of senior management and key employees of the Company, and managers of Affiliates will beneficially own in the aggregate approximately 24.2%, 2.3%, 6.1% and 5.5%, respectively, of the outstanding Common Stock, including approximately 29.0%, 2.8%, 7.3% and 6.5% of the voting Common Stock. In addition, NationsBanc Investment Corporation ("NationsBank") and Chase Equity Associates will beneficially own in the aggregate 6.0% and 10.4% of the outstanding Common Stock after the Offerings, respectively, in the form of non-voting Class B Common Stock. To the knowledge of the Company, upon consummation of the Offerings, there will be no agreements among such persons relating to the voting of the Common Stock or otherwise relating to corporate governance issues (except that the holders of shares of non-voting Class B Common Stock have agreed that, to the extent such shares are entitled to vote as a class on any matter, they will vote such shares in the same proportion as the votes of the holders of the shares of voting Common Stock on such matter). If such persons were to vote their shares together, these persons would have the ability to exert significant influence over the Company's Board of Directors, and, therefore, the business, policies and affairs of the Company. In addition, by reason of such holdings, these stockholders may have the ability to exert significant influence over the outcome of certain fundamental corporate transactions requiring stockholder approval, including mergers and sales of assets, and the election of the members of the Company's Board of Directors. This influence could preclude any unsolicited acquisition of the Company and, consequently, adversely affect the market price of the Common Stock. See "Certain Transactions", "Principal Stockholders" and "Shares Eligible for Future Sale".

PURCHASERS OF COMMON STOCK IN THE OFFERINGS WILL EXPERIENCE IMMEDIATE AND SUBSTANTIAL DILUTION

The initial public offering price will be substantially higher than the net tangible book value (deficit) per share of the Company which, as of June 30, 1997, was $(35.01). Purchasers of the shares of Common Stock sold in the Offerings will experience immediate and substantial net tangible book value dilution of $33.01 per share, assuming an initial public offering price of $21.50 per share. See "Dilution".

THE COMPANY DOES NOT PLAN TO PAY DIVIDENDS

Following the consummation of the Offerings, the Company intends to retain earnings to repay debt and to finance the growth and development of its business and does not anticipate paying cash dividends on its Common Stock in the foreseeable future. Any declaration of dividends in the future will depend upon, among other things, the Company's results of operations, financial condition and capital requirements as well as general business conditions. The Credit Facility also prohibits the Company from making dividend payments to its stockholders. See "Dividend Policy" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

LACK OF A PRIOR MARKET, EQUITY MARKET CONDITIONS, AND SHARES AVAILABLE FOR FUTURE SALE COULD ADVERSELY AFFECT THE TRADING PRICE OF THE COMMON STOCK

NO PRIOR MARKET FOR THE COMMON STOCK

Prior to the Offerings, there has been no public market for the Common Stock, and there can be no assurance that an active trading market will develop or be sustained in the future or that the market price of the Common Stock will not decline below the initial public offering price. The initial public offering price of the Common Stock will be determined by negotiations between the Company and the representatives of the U.S. Underwriters and the International Underwriters and may not be indicative of the market price of the Common Stock after the Offerings. See "Underwriting". From time to time after the Offerings, there may be significant volatility in the market price for the Common Stock. Quarterly operating results of the Company, changes in general conditions in the economy or the financial markets, or other developments affecting the Company or its competitors, could cause the market price of the Common Stock to fluctuate substantially. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has affected the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of the Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of Common Stock in the public market after the Offerings could adversely affect the market price of the Common Stock. In addition to the 7,000,000 shares of Common Stock offered in the Offerings, up to 6,656,196 shares of Common Stock owned by the current stockholders will be eligible for sale in accordance with Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), beginning 90 days after the consummation of the Offerings, and an additional 2,364,129 shares of Common Stock will become eligible for sale in the public market under Rule 144 at various dates through November 1998. The remaining 65,625 shares of Common Stock owned by the current stockholders are subject to vesting provisions and will become eligible for sale in the public market under Rule 144 at various times as they become vested. If such stockholders should sell or otherwise dispose of a substantial amount of Common Stock in the public market, the prevailing market price could be adversely affected. However, subject to certain exceptions, the Company and holders of 9,085,950 shares of Common Stock outstanding before the Offerings have agreed not to offer, sell, or otherwise dispose of any shares of Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of the representatives of the Underwriters. See "Shares Eligible For Future Sale".

REGISTRATION RIGHTS

The holders of 8,076,696 shares of Common Stock have the right in certain circumstances to require the Company to register their shares under the Securities Act for resale to the public, and the holders of 8,773,550 shares have the right to include their shares in a registration statement filed by the Company. In addition, certain of the managers of the Affiliates have the right under certain circumstances to exchange portions of their interests in the Affiliate of which they are a manager for shares of Common Stock. See "Business -- AMG Structure and Relationship with Affiliates -- Capitalization of Retained Interest". Certain of the managers who have these exchange rights have the right to include the shares of Common Stock received by them in such exchange in a registration statement filed by the Company under the Securities Act. These registration rights may enable such holders to publicly sell shares which would otherwise be ineligible for sale in the public market. The Company also intends to register all of the shares of Common Stock issuable under the Company's stock plans as soon as practicable following the consummation of the Offerings. See "Management -- Compensation, Benefit and Retirement Plans". The sale of a substantial number of shares of Common Stock into the public market following the Offerings, or the availability of such shares for future sale, could adversely affect the market price for the Common Stock and could impair the Company's ability to obtain additional capital in the future through an offering of equity securities should it desire to do so. See "Shares Eligible for Future Sale" and "Underwriting".

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 7,000,000 shares of Common Stock in the Offerings, after deducting the underwriting discount and expenses payable by the Company in connection with the Offerings, are estimated to be approximately $139.0 million ($160.1 million if the Underwriters' over-allotment options are exercised in full). The Company intends to use such net proceeds to repay outstanding indebtedness, all of which was incurred to finance portions of the Company's investments in certain Affiliates, as follows: (i) approximately $60.0 million will be used to repay certain subordinated debt which bears interest initially at LIBOR plus 7.25% and matures on April 7, 1998, and (ii) approximately $79.0 million will be used to repay a portion of the outstanding borrowings under the Credit Facility, which bear interest at variable rates based on the prime rate or LIBOR as selected by the Company, and mature on October 9, 2004 and October 9, 2005. The interest rate on indebtedness under the Credit Facility at October 15, 1997 was 8.125% with respect to $118.3 million, 8.25% with respect to $117.0 million and 8.75% with respect to $50.0 million. Upon repayment of such indebtedness, and assuming the Company maintains compliance with certain financial ratios, approximately $15.7 million will be available for future borrowings under the Credit Facility.

DIVIDEND POLICY

The Company has never declared or paid a cash dividend on its Common Stock. The Company currently intends to retain earnings to finance the growth and development of its business, including possible investments, and does not anticipate paying cash dividends for the foreseeable future. Any payment of cash dividends in the future will depend upon the financial condition, capital requirements and earnings of the Company, as well as other factors the Company's Board of Directors may deem relevant. In addition, the Credit Facility prohibits the Company from making dividend payments to its stockholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

DILUTION

The pro forma net tangible book value (deficit) of the Common Stock at June 30, 1997 before adjustment for the Offerings was $(318.1) million, or $(35.01) per share after giving effect to the Recapitalization. After giving effect to the sale of the 7,000,000 shares of Common Stock in the Offerings at an assumed initial public offering price of $21.50 per share (before deducting the estimated underwriting discounts and commissions and estimated offering expenses), and applying the estimated net proceeds therefrom as set forth in "Use of Proceeds" (with the associated write-off of $6.0 million in debt issuance costs and debt discount), the pro forma net tangible book value (deficit) of the Company at June 30, 1997 would have been $(185.1) million, or $(11.51) per share.

Assumed initial public offering price per share (1).............		$ 21.50
Pro forma net tangible book value (deficit) per share before the Offerings..	$(35.01)	
Increase in pro forma net tangible book value per share attributable to the Offerings............................	23.50	
As adjusted pro forma net tangible book value (deficit) per share after the Offerings...		(11.51)
Dilution in pro forma net tangible book value (deficit) per share to new investors (2)(3).......................................		$ 33.01

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(1) Assumed initial public offering price before deduction of underwriting discounts and commissions and estimated expenses of the Offerings to be paid by the Company.

(2) Dilution is determined by subtracting the pro forma net tangible book value per share of Common Stock after the Offerings from the assumed initial public offering price paid by purchasers in the Offerings for a share of Common Stock.

(3) Assumes no exercise of outstanding stock options. As of the date of this Prospectus, there are options outstanding to purchase a total of 92,500 shares of Common Stock at an exercise price of $9.10 per share. See "Management -- Compensation, Benefit and Retirement Plans" and Note 13 of the Notes to the Company's Consolidated Financial Statements. If any of these options were exercised, there would be further dilution to purchasers of Common Stock in the Offerings.

Assuming the Underwriters' over-allotment options are exercised in full, the pro forma net tangible book value (deficit) at June 30, 1997 would be $(164.0) million or $(9.57) per share, the immediate increase in pro forma net tangible book value of shares owned by existing stockholders would be $25.44 per share, and the immediate dilution to purchasers of shares of Common Stock in the Offerings would be $31.07 per share.

The following table summarizes, at June 30, 1997, after giving effect to the sale of the shares of Common Stock in the Offerings at an assumed initial public offering price of $21.50 per share, (i) the number and percentage of shares of Common Stock purchased from the Company, (ii) the total cash consideration paid for the Common Stock, and (iii) the average price per share of Common Stock paid by existing stockholders and by purchasers of the Common Stock in the Offerings:

	SHARES OWNED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENTAGE	AMOUNT	PERCENTAGE	PER SHARE
Existing stockholders........	9,085,950	56.5%	$ 86,640,000	36.5%	$ 9.54
New investors.........	7,000,000	43.5	150,500,000	63.5	21.50
Total............	16,085,950	100.0%	$237,140,000	100.0%	

CAPITALIZATION

The following table sets forth at June 30, 1997: (i) the historical capitalization of the Company; (ii) the pro forma capitalization reflecting the Subsequent Investments and the Recent Financing; and (iii) the pro forma capitalization described in clause (ii) as adjusted to give effect to the Recapitalization and sale of the shares of Common Stock in the Offerings (at an assumed initial public offering price of $21.50 per share) and the application of the net proceeds therefrom as described under "Use of Proceeds".

	JUNE 30, 1997		
	HISTORICAL	PRO FORMA	PRO FORMA AS ADJUSTED
		(IN THOUSANDS)	
Senior debt, current portion	$ --	$ 5,500	$ 1,210
Senior debt, long-term portion	48,900	279,775	205,065
Subordinated debt	--	59,600	800
Total debt	48,900	344,875	207,075
Stockholders' equity:			
Preferred stock, $.01 par value; 5,000,000 shares authorized; none issued and outstanding historical, pro forma and pro forma as adjusted	--	--	--
Convertible preferred stock, $.01 par value; 137,396 shares authorized and 115,249 shares issued and outstanding historical; 213,935 shares authorized and 159,249(1) shares issued and outstanding pro forma; and none authorized, issued or outstanding pro forma as adjusted	43,976	84,776	--
Common Stock, $.01 par value; 17,160,050 shares authorized and 1,037,500 shares issued and outstanding historical; 10,961,000 shares authorized and 1,037,500(2) shares issued and outstanding pro forma; and 40,000,000 shares authorized and 13,449,150(3) shares issued and outstanding pro forma as adjusted	--	--	134
Class B Common Stock, $.01 par value, non-voting; 970,150 shares authorized and none issued and outstanding historical; 3,342,250 shares authorized and none issued and outstanding pro forma; and 3,000,000 shares authorized and 2,636,800 shares issued and outstanding pro forma as adjusted	--	--	26
Additional paid-in capital on common stock	15	15	225,480
Foreign translation adjustment	6	6	6
Accumulated deficit	(4,808)	(4,808)	(10,796)
Total stockholders' equity	39,189	79,989	214,850
Total capitalization	$88,089	$ 424,864	$ 421,925

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(1) Includes (i) the issuance of 5,333 shares of Series C-2 Non-Voting Convertible Preferred Stock and assumes the exercise of warrants to purchase 28,000 shares of Series C-2 Non-Voting Convertible Preferred Stock subsequent to June 30, 1997, and (ii) the issuance of 10,667 shares of Class D Convertible Preferred Stock subsequent to June 30, 1997.

(2) Excludes 92,500 shares of Common Stock reserved for issuance under options outstanding under the 1995 Plan, of which 15,400 shares were issuable at June 30, 1997 upon the exercise of outstanding stock options at $9.10 per share. See "Management--Compensation, Benefit and Retirement Plans".

(3) Includes 7,962,450 shares of Common Stock issuable upon conversion of the Convertible Preferred Stock effective immediately upon consummation of the Offerings.

SELECTED PRO FORMA FINANCIAL DATA

The selected pro forma statement of operations data and balance sheet data set forth below are derived from the unaudited pro forma consolidated statement of operations and balance sheet for the Company as of and for the six months ended June 30, 1997, and the related notes thereto, as set forth in the Unaudited Pro Forma Consolidated Financial Statements included elsewhere in this Prospectus. The selected pro forma data are adjusted to reflect: (i) the Prior Investments (in the case of the selected pro forma statement of operations data) and the Subsequent Investments; (ii) the Recent Financing (as defined below), which was entered into in connection with the Subsequent Investments; and (iii) the Offerings (including the application of the net proceeds therefrom) and the Recapitalization in connection with the Offerings. The selected pro forma statement of operations data for the six months ended June 30, 1997 assume that each of these transactions occurred on January 1, 1996. The selected pro forma balance sheet data assume that each of these transactions occurred on June 30, 1997.

The pro forma adjustments are based on available information and upon certain assumptions that management believes are reasonable under the circumstances. The Prior Investments and the Subsequent Investments are accounted for under the purchase method of accounting. Under this method of accounting, the purchase price has been allocated to the assets and liabilities acquired based upon estimates of fair value. See "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Prior Investments were primarily funded with cash received from borrowings under the Company's revolving credit facility and from issuances of the Company's Convertible Preferred Stock. The Subsequent Investments have been funded by: (i) cash received from borrowings ("Senior Debt") under the Company's new $300 million senior credit facility (the "Credit Facility"), (ii) cash received from the issuance of $60 million face amount of subordinated debt (the "Subordinated Debt"), (iii) cash received from the issuance of $30 million of Class C Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock (clauses (i) - (iii) collectively, the "Recent Financing") and (iv) the issuance of 10,667 shares of Class D Convertible Preferred Stock valued at $9.6 million as partial consideration for the investment in GeoCapital (which is reflected as part of the Subsequent Investments). See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

The selected pro forma financial data should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information and the related notes thereto, and the Consolidated Financial Statements of the Company (including the unaudited information as of and for the six months ended June 30, 1997) and the related notes thereto, included elsewhere in this Prospectus. The pro forma information is based on the historical data with respect to the Company and the acquired businesses comprising the Prior Investments and the Subsequent Investments, is not necessarily indicative of the results that might have occurred had the transactions reflected actually taken place at the beginning of the period specified and is not intended to be a projection of future results.

SELECTED PRO FORMA FINANCIAL DATA

SIX MONTHS ENDED JUNE 30, 1997

	HISTORICAL	INVESTMENTS(1)	FINANCING ADJUSTMENTS(2)	PRO FORMA	OFFERING ADJUSTMENTS(3)	PRO FORMA AS ADJUSTED
	(IN THOUSANDS, EXCEPT WHERE INDICATED AND PER SHARE DATA)					
STATEMENT OF OPERATIONS DATA						
Revenues..................	$ 32,870	$ 32,692	$ --	$ 65,562	$ --	$ 65,562
Operating expenses:						
Compensation and related expenses....	11,222	8,085	--	19,307	--	19,307
Amortization of intangible assets...	2,043	5,334	--	7,377	100	7,477
Depreciation and other amortization........	671	190	529	1,390	(186)	1,204
Other operating expenses...........	13,232	3,629	--	16,861	--	16,861
Total operating expenses........	27,168	17,238	529	44,935	(86)	44,849
Operating income (loss)...	5,702	15,454	(529)	20,627	86	20,713
Non-operating (income) and expenses:						
Investment and other income.............	(438)	(4)	--	(442)	--	(442)
Interest expense......	1,707	24	13,916	15,647	(7,577)	8,070
	1,269	20	13,916	15,205	(7,577)	7,628
Income (loss) before minority interest and income taxes............	4,433	15,434	(14,445)	5,422	7,663	13,085
Minority interest.........	(3,632)	(5,713)	--	(9,345)	--	(9,345)
Income (loss) before income taxes............	801	9,721	(14,445)	(3,923)	7,663	3,740
Income taxes..............	95	599	--	694	877	1,571
Net income (loss).........	$ 706	$ 9,122	$ (14,445)	$ (4,617)	$ 6,786	$ 2,169
Net income (loss) per share (4)...............	$ 0.10			$ (0.51)		$ 0.13
Number of shares used in net income (loss) per share...................	6,852			9,139		16,139
OTHER FINANCIAL DATA						
Assets under management (at period end, in millions)...............	$ 34,468	$ 6,704	$ --	$ 41,172	$ --	$ 41,172
EBITDA (5)................	5,222	15,269	--	20,491	--	20,491
Cash net income (5).......	3,420	14,646	(13,916)	4,150	6,700	10,850
Cash flow from (used in) operating activities....	8,711	17,326	(13,990)	12,047	6,700	18,747
Cash flow used in investing activities....	(11,797)	(370)	(314,725)	(326,892)	--	(326,892)
Cash flow from financing activities.............	9,632	--	317,475	327,107	--	327,107
BALANCE SHEET DATA						
Current assets............	$ 26,027	$ 5,185	$ 2,475	$ 33,687	$ --	$ 33,687
Acquired client relationships...........	35,785	107,931	--	143,716	740	144,456
Goodwill..................	43,034	211,338	--	254,372	1,109	255,481
Total assets..............	113,769	327,680	11,375	452,824	(2,939)	449,885
Current liabilities.......	13,108	7,780	--	20,888	(4,290)	16,598
Senior debt...............	48,900	225,000	11,375	285,275	(79,000)	206,275
Subordinated debt.........	--	59,600	--	59,600	(58,800)	800
Total liabilities.........	66,035	286,880	11,375	364,290	(137,800)	226,490
Minority interest.........	8,545	--	--	8,545	--	8,545
Preferred stock...........	43,976	40,800	--	84,776	(84,776)	--
Stockholders' equity......	39,189	40,800	--	79,989	134,861	214,850

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(1) Gives effect to the recent investments in Tweedy, Browne and GeoCapital, including the issuance of $9.6 million of Class D Convertible Preferred Stock in connection with the investment in GeoCapital (the "Subsequent Investments"), which occurred subsequent to June 30, 1997, and, in the case of the selected statement of operations data, to the investments made during the year ended December 31, 1996 and the six months ended June 30, 1997 (the "Prior Investments"). See notes (B), (C) and (H)-(L) to the Unaudited Pro Forma Consolidated Financial Information included elsewhere in this Prospectus.

(2) To adjust for the Recent Financing, which was entered into in connection with the Subsequent Investments. See notes (B), (D) and (M) to the Unaudited Pro Forma Consolidated Financial Information included elsewhere in this Prospectus.

(3) To adjust for (i) the sale of Common Stock offered by the Offerings and the application of the net proceeds therefrom, and (ii) the related Recapitalization, consisting of a 50-for-1 stock split of the Common Stock effected in the form of a stock dividend and the issuance of 86,023 shares of Common Stock to shareholders of an Affiliate upon consummation of the Offerings, in each case as of the date of this Prospectus, 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 shares of Common Stock, in each case upon consummation of the Offerings. See notes (E)-(G) and (N)-(Q) to the Unaudited Pro Forma Consolidated Financial Information included elsewhere in this Prospectus.

(4) See note (4) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

(5) See notes (5) and (6) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

SELECTED HISTORICAL FINANCIAL DATA

The selected consolidated statement of operations data and balance sheet data set forth below are derived in the relevant periods from the consolidated financial statements and the notes thereto of the Company. The Company's consolidated financial statements have been audited by Coopers & Lybrand L.L.P., independent accountants, as of December 31, 1995 and 1996, and for each of the three years in the period ended December 31, 1996, and are included elsewhere in this Prospectus, together with the report of Coopers & Lybrand L.L.P. thereon. The selected consolidated statement of operations data for the six months ended June 30, 1996 and 1997 and balance sheet data at June 30, 1997, presented below, were derived from the Company's unaudited consolidated financial statements that are included elsewhere in this Prospectus and include, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial information for such periods. The results of operations for the six months ended June 30, 1996 and 1997 are not necessarily indicative of the results of operations to be expected for the full year. This selected historical financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Company's consolidated financial statements and the notes thereto, and the other financial information included elsewhere in this Prospectus.

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1994	1995	1996	1996	1997
	(IN THOUSANDS, EXCEPT AS INDICATED AND PER SHARE DATA)				
STATEMENT OF OPERATIONS DATA					
Revenues	$5,374	$14,182	$50,384	$19,495	$32,870
Operating expenses:					
Compensation and related expenses	3,591	6,018	21,113	7,945	11,222
Amortization of intangible assets	774	4,174	8,053	1,674	2,043
Depreciation and other amortization	19	133	932	270	671
Other operating expenses	1,000	2,567	13,115	5,693	13,232
Total operating expenses	5,384	12,892	43,213	15,582	27,168
Operating income	(10)	1,290	7,171	3,913	5,702
Non-operating (income) and expenses:					
Investment and other income	(966)	(265)	(337)	(408)	(438)
Interest expense	158	1,244	2,747	1,311	1,707
	(808)	979	2,410	903	1,269
Income before minority interest, income taxes and extraordinary item	798	311	4,761	3,010	4,433
Minority interest (3)	(305)	(2,541)	(5,969)	(2,305)	(3,632)
Income (loss) before income taxes	493	(2,230)	(1,208)	705	801
Income taxes (benefit)	699	706	181	(22)	95
Income (loss) before extraordinary item	(206)	(2,936)	(1,389)	727	706
Extraordinary item	--	--	(983)	(983)	--
Net income (loss)	$ (206)	$(2,936)	$(2,372)	$ (256)	$ 706
Net income (loss) per share (1)	$(0.05)	$ (0.58)	$ (0.36)	$ (0.04)	$ 0.10
OTHER FINANCIAL DATA					
Assets under management (at period end, in millions)	$ 755	$ 4,615	$19,051	$16,048	$34,468
EBITDA (2)	1,444	3,321	10,524	3,960	5,222
Cash net income (2)	587	1,371	7,596	2,671	3,420
Cash flow from operating activities	818	1,292	6,185	912	8,711
Cash flow used in investing activities	(6,156)	(37,781)	(29,210)	(28,565)	(11,797)
Cash flow from financing activities	9,509	46,414	15,650	19,443	9,632

	DECEMBER 31, 1994	DECEMBER 31, 1995	DECEMBER 31, 1996	JUNE 30, 1997
	(IN THOUSANDS)			
BALANCE SHEET DATA				
Current assets	$ 4,791	$16,847	$ 23,064	$ 26,027
Acquired client relationships	3,482	18,192	30,663	35,785
Goodwill	5,417	26,293	40,809	43,034
Total assets	13,808	64,699	101,335	113,769
Current liabilities	2,021	4,111	23,591	13,108
Senior debt	--	18,400	33,400	48,900
Total liabilities	3,925	26,620	60,856	66,035
Minority interest (3)	80	1,212	3,490	8,545
Preferred stock	10,004	40,008	42,476	43,976
Stockholders' equity	9,803	36,867	36,989	39,189

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(1) See note (4) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

(2) See notes (5) and (6) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

(3) See note (3) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

RECENT DEVELOPMENTS

Set forth below is certain unaudited operations and other financial data for the periods indicated. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements contained elsewhere in this Prospectus. This data is not necessarily indicative of operating results that may be expected for a full year.

	NINE MONTHS ENDED SEPTEMBER 30,		
	HISTORICAL		PRO FORMA AS ADJUSTED
	1996	1997	1997(1)
	(IN THOUSANDS, EXCEPT AS INDICATED AND PER SHARE DATA)		
OPERATIONS DATA			
Revenues	$ 32,170	$ 53,280	$ 103,859
Operating income	6,000	8,972	32,853
Net income (loss)	(281)	833	3,970
Net income (loss) per share(1)	(0.04)	0.12	0.25
OTHER FINANCIAL DATA			
Assets under management (at period end, in millions)	$ 16,074	$ 37,992	$ 43,106
EBITDA(2)	6,202	7,941	32,242
Cash net income(2)	3,470	5,013	17,261
Cash flow from operating activities	5,121	6,749	24,442
Cash flow used in investing activities	(28,513)	(27,007)	(327,702)
Cash flow from financing activities	18,419	24,032	327,107

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(1) See notes (1), (2) and (4) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

(2) See notes (5) and (6) to the Summary Historical and Pro Forma Financial Data included elsewhere in this Prospectus.

Net income increased to $833,000 for the nine months ended September 30, 1997 compared to a net loss of $281,000 for the nine months ended September 30, 1996. The net loss for the nine months ended September 30, 1996 resulted from an extraordinary loss of $580,000, net of related tax benefit, from the early extinguishment of debt. The increase in net income for the nine months ended September 30, 1997 compared to the nine months ended September 30, 1996 resulted from increased operating income offset in part by higher interest expense incurred to finance the Prior and Subsequent Investments, higher minority interest and the absence of the extraordinary item. On a pro forma basis, as adjusted for the Offerings and the application of the net proceeds therefrom, net income for the nine months ended September 30, 1997 was $4.0 million. The increase in net income on a pro forma as adjusted basis compared to historical net income results from the contributions to operating results from the Prior and Subsequent Investments, particularly the Tweedy, Browne Investment, and from lower interest expense resulting from the retirement of debt.

Assets under management increased by $21.9 billion, to $38.0 billion at September 30, 1997 from $16.1 billion at September 30, 1996, in part due to the investments made in Burridge and Gofen and Glossberg, which were completed in December 1996 and May 1997, respectively. On a pro forma basis, assets under management at September 30, 1997 were $43.1 billion, a 55% increase from December 31, 1996. Tweedy, Browne's assets under management were $5.1 billion at September 30, 1997, a 49% increase from December 31, 1996.

Revenues increased by $21.1 million to $53.3 million for the nine months ended September 30, 1997 compared to $32.2 million for the nine months ended September 30, 1996. Since September 30, 1996, the Company invested in Burridge in December 1996 and Gofen and Glossberg in May 1997 and included their results from their respective purchase dates. In addition, the Company invested in First Quadrant in March 1996 and its results were included in the results for the nine months ended September 30, 1996 from its purchase date. On a pro forma basis, including the results of the Prior and Subsequent Investments as if all such transactions occurred on January 1, 1996, revenues for the nine months ended September 30, 1997 were $103.9 million.

Operating income increased by $3.0 million to $9.0 million for the nine months ended September 30, 1997 compared to $6.0 million for the nine months ended September 30, 1996. On a pro forma basis, operating income was approximately $32.9 million for the nine months ended September 30, 1997 and increased from historical operating income of $9.0 million, primarily from the inclusion of Tweedy, Browne.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto appearing elsewhere in this Prospectus.

OVERVIEW

The Company acquires equity positions in mid-sized investment management firms, and derives its revenues from such firms. AMG has a revenue sharing arrangement with each Affiliate which is contained in the organizational documents of that Affiliate. Each such arrangement allocates a specified percentage of revenues (typically 50-70%) for use by management of that Affiliate in paying operating expenses of the Affiliate, including salaries and bonuses (the "Operating Allocation"). The remaining portion of revenues of the Affiliate, typically 30-50% (the "Owners' Allocation"), is allocated to the owners of that Affiliate (including the Company), generally in proportion to their ownership of the Affiliate.

One of the purposes of the revenue sharing arrangements is to provide ongoing incentives for the managers of the Affiliates. The revenue sharing arrangements are designed to allow each Affiliate's managers to participate in that firm's growth (through their compensation paid out of the Operating Allocation and their ownership of a portion of the Owners' Allocation) and to make operating expenditures freely within the limits of the Operating Allocation. The portion of the Operating Allocation that is not used to pay salaries and other operating expenses (the "Excess Operating Allocation") is available for payment to the managers and other key employees of such Affiliate in the form of bonuses. The managers of each Affiliate thus have an incentive to increase revenues (thereby increasing the Operating Allocation) and control expenses (thereby increasing the Excess Operating Allocation). The ownership by an Affiliate's management of a portion of the Affiliate, which entitles them to a portion of the Owners' Allocation, provides a further incentive to managers of each Affiliate to increase revenues.

The revenue sharing arrangements allow AMG to participate in the growth of revenues of each Affiliate, because as revenues increase, the Owners' Allocation also increases. However, the Company participates in that growth to a lesser extent than the managers of the Affiliate, because AMG does not participate in the growth of the Operating Allocation.

The portion of each Affiliate's revenues which is included in its Operating Allocation and retained by it to pay salaries, bonuses and other operating expenses, as well as the portion of each Affiliate's revenues which is included in its Owners' Allocation and distributed to AMG and the other owners of the Affiliate, are both included as "revenues" on the Company's Consolidated Statements of Operations. The expenses of each Affiliate which are paid out of the Operating Allocation, as well as the holding company expenses of AMG which are paid by the Company out of the amounts of the Owners' Allocation which AMG receives from the Affiliates, are both included in Operating Expenses on the Company's Consolidated Statements of Operations. The portion of each Affiliate's Owners' Allocation which is allocated to owners of the Affiliates other than the Company is included in "minority interest" on the Company's Consolidated Statements of Operations.

The following diagram depicts the allocation of the Affiliates' revenues.

[Description of Flow Diagram:]

[Diagram demonstrating the flow of revenues from an Affiliate to the Company, to management owners of the Affiliate, and to pay operating expenses of the Affiliate.]

[Diagram begins on the left side of the page with a square with "Affiliate" written inside; an arrow moves from left to right, beginning on the right side of the square, and connects to a rectangle entitled "Revenue Sharing Agreement".]

[Two arrows originate from the right side of the "Revenue Sharing Agreement" rectangle; one arrow begins at the top right corner and moves diagonally upwards to the right to an oval shape with "Operating Allocation" written inside; the bottom arrow moves diagonally downwards to the right from the lower right corner of the rectangle and connects to an oval shape with "Owners' Allocation" written inside.]

[Two arrows originate from the right side of the oval titled "Operating Allocation"; one arrow moves diagonally upwards and to the right and connects with another oval shape entitled "Salary and Bonuses to Employees; Other Operating Expenses"; the second arrow, with the words "Excess Operating Allocation" written on the arrow, moves diagonally downwards and to the right to a rectangle entitled "Affiliate Management Equity Holders".]

[The "Owners' Allocation" oval has two arrows originating on the right side; one arrow, with the words "Owners' Allocation" written on it, moves diagonally upwards and to the right and connects to the rectangle called "Affiliate Management Equity Holders" described above; the second arrow, with the words "Owners' Allocation" written on it, moves diagonally downwards and to the right and connects to a pennant-shaped symbol with "AMG" written inside.]

The EBITDA Contribution of an Affiliate represents the Owners' Allocation of that Affiliate allocated to AMG before interest, taxes, depreciation and amortization of that Affiliate. EBITDA Contribution does not include holding company expenses of AMG.

The Affiliates' revenues are derived from the provision of investment management services for fees. Investment management fees are usually determined as a percentage fee charged on periodic values of a client's assets under management. Certain of the Affiliates, including Tweedy, Browne, bill advisory fees for all or a portion of their clients based upon assets under management valued at the beginning of a billing period ("in advance"). Other Affiliates bill advisory fees for all or a portion of their clients based upon assets under management valued at the end of the billing period ("in arrears"). Advisory fees billed in advance will not reflect subsequent changes in the market value of assets under management for that period. Conversely, advisory fees billed in arrears will reflect changes in the market value of assets under management for that period. In addition, several of the Affiliates charge performance-based fees to certain of their clients; these performance-based fees result in payments to the applicable Affiliate if specified levels of investment performance are achieved. All references to "assets under management" include assets directly managed as well as assets underlying overlay strategies which employ futures, options or other derivative securities to achieve a particular investment objective.

The Company's level of profitability will depend on a variety of factors including principally: (i) the level of Affiliate revenues, which is dependent on the ability of the Affiliates and future affiliates to maintain or increase assets under management by maintaining their existing investment advisory relationships and fee structures, marketing their services successfully to new clients, and obtaining favorable investment results; (ii) the receipt of Owners' Allocation, which is dependent on the ability of the Affiliates and future affiliates to maintain certain levels of operating profit margins; (iii) the availability and cost of the capital with which AMG finances its investments; (iv) the Company's success in attracting new investments and the terms upon which such transactions are completed; (v) the level of intangible assets and the associated amortization resulting from the Company's investments; (vi) the level of expenses incurred by AMG for holding company operations, including compensation for its employees; and (vii) the level of taxation to which the Company is subject, all of which are, to some extent, dependent on factors which are not in the Company's control, such as general securities market conditions.

Since its founding in December 1993, the Company has completed ten investments in Affiliates. In September and October 1997, the Company completed investments in GeoCapital and Tweedy, Browne, respectively. The Company also made investments during 1996 and 1997 in First Quadrant (March 1996), Burridge (December 1996) and Gofen and Glossberg (May 1997). The Tweedy, Browne Investment is the Company's largest to date, representing 52% of the Affiliates' pro forma EBITDA Contribution for the six months ended June 30, 1997.

In the Tweedy, Browne Investment, AMG paid $300 million in cash for a 71.2% interest in Tweedy, Browne's Owners' Allocation. In August 1997, when the Tweedy, Browne purchase agreement was executed, AMG's interest represented an estimated $30 million of annualized EBITDA Contribution based on Tweedy, Browne's assets under management as of such date. There can be no assurance that the actual EBITDA Contribution of Tweedy, Browne will equal this estimate. On a pro forma basis for the year ended December 31, 1996 and the six months ended June 30, 1997, Tweedy, Browne's EBITDA Contribution was approximately $21.4 million and $12.8 million, respectively.

The remaining portion of the firm's Owners' Allocation is owned by the senior management of Tweedy, Browne, including Christopher H. Browne, William H. Browne, and John D. Spears (collectively, the "Original Partners"). In connection with the transaction, the Original Partners signed ten year employment agreements with Tweedy, Browne. In addition, the Original Partners agreed to invest $100 million of the sale proceeds in accounts under Tweedy, Browne's management for a ten year period, bringing the total assets of the Original Partners, former partners and employees of Tweedy, Browne and their respective families under management by the firm to over $300 million (although no fees are paid with respect to most of these assets under management and, other than the $100 million described above, there is no requirement that such funds remain under the management of the firm).

Pursuant to the Tweedy, Browne Company LLC Limited Liability Company Agreement (the "Tweedy, Browne LLC Agreement"), the management members have certain rights to require the Company to purchase their retained interests in the firm (the "Tweedy, Browne Puts") and AMG has certain rights to require management members to sell their retained interest in the firm (the "Tweedy, Browne Calls"). For the Original Partners, the Tweedy, Browne Puts are exercisable beginning in 2003, with the maximum aggregate percentage of the retained interest which may be sold in any year limited to 2.5% of the firm until 2008, when all of the Original Partners' remaining interests are eligible to be put to AMG. The Tweedy, Browne Calls are exercisable with respect to each management member after they reach a certain defined age, and are limited in any one year to 20% of the maximum interests held by each person. The Tweedy, Browne LLC Agreement provides that, except in limited circumstances (e.g., death or disability), if an Original Partner (or other management member) terminates his employment prior to the agreed upon retirement eligibility date, his interest will be repurchased at a substantial discount to the Fair Value Purchase Price. See "Business -- AMG Structure and Relationship with Affiliates -- Capitalization of Retained Interest". In a separate provision of the Tweedy, Browne LLC Agreement, the Original Partners agreed to provide for an 8% interest in the firm to be sold to key employees over the five years following AMG's investment (in addition to 2% which was sold to such employees). These employees will be granted Tweedy, Browne Puts with respect to one half of their interest which will be exercisable beginning five years after their issuance subject to annual limitations.

The Company's investments, including the Tweedy, Browne Investment, have been accounted for under the purchase method of accounting under which goodwill is recorded for the excess of the purchase price for the acquisition of interests in Affiliates over the fair value of the net assets acquired, including acquired client relationships.

As a result of the series of investments made by the Company, intangible assets (goodwill and acquired client relationships) constitute a substantial percentage of the assets of the Company and the Company's results of operations have included increased charges for amortization of those intangible assets. As of June 30, 1997, the Company's total assets, on a pro forma basis for the inclusion of the Subsequent Investments, were approximately $452.8 million, of which approximately $143.7 million consisted of "acquired client relationships" and $254.4 million consisted of "goodwill" (acquired client relationships and goodwill are collectively referred to as "intangible assets"). The amortization period for intangible assets from each investment is assessed individually, with amortization periods for the Company's investments to date, including the Subsequent Investments occurring after June 30, 1997, ranging from 9 to 26 years in the case of acquired client relationships and 15 to 35 years in the case of goodwill. In determining the amortization period for intangible assets acquired, the Company considers a number of factors including: the firm's historical and potential future operating performance; the firm's historical and potential future rates of attrition among clients; the stability and longevity of existing client relationships; the firm's recent, as well as long-term, investment performance; the characteristics of the firm's products and investment styles; the stability and depth of the firm's management team and the firm's history and perceived franchise or brand value. The Company continuously evaluates all components of intangible assets to determine whether there has been any impairment in its carrying value or its useful life. The Company makes such evaluations quarterly on an Affiliate-by-Affiliate basis to assess if facts and circumstances exist which suggest an impairment has occurred in the value of the intangible assets or if the amortization period needs to be shortened. If such a condition exists, the Company will evaluate the recoverability of the intangible asset by preparing a projection of the undiscounted future cash flows of the Affiliate. If impairment is indicated, then the carrying amount of intangible assets, including goodwill, will be reduced to their fair values. See "Risk Factors -- Risks Related to Write-Offs of Acquired Client Relationships and Goodwill".

While amortization of intangible assets has been charged to the results of operations and is expected to be a continuing material component of the Company's operating expenses, management believes it is important to distinguish this expense from other operating expenses since such amortization does not require the use of cash. Because of this, and because the Company's distributions from its Affiliates are based on their Owners' Allocation, management has provided additional supplemental information in this Prospectus for "cash" related earnings, as an addition to, but not as a substitute for, measures related to net income. Such measures are (i) EBITDA, which the Company believes is useful to investors as an indicator of the Company's ability to service debt, make new investments and meet working capital requirements, and (ii) cash net income, which the Company believes is useful to investors as another indicator of funds available to the Company, which may be used to make new investments, repay debt obligations, repurchase shares of Common Stock or pay dividends on Common Stock.

RESULTS OF OPERATIONS

SUPPLEMENTAL PRO FORMA INFORMATION

Affiliate operations are included in the Company's historical financial statements from their respective dates of acquisition. The Company consolidates Affiliates when it owns a controlling interest and includes in minority interest the portion of capital and Owners' Allocation owned by persons other than the Company. One of the Company's Affiliates, Paradigm, is not controlled by the Company and is accounted for under the equity method.

Because the Company has made investments in each of the periods for which financial statements are presented, the Company believes that the operating results for these periods are not directly comparable. Substantially all of the changes in the Company's income, expense and balance sheet categories result from the inclusion of the acquired businesses from the dates of their acquisition.

The Unaudited Pro Forma Consolidated Statements of Operations appearing elsewhere in this Prospectus present the results of operations of the Company for the year ended December 31, 1996 and the six months ended June 30, 1997, as if the Prior Investments, the Subsequent Investments, the Recent Financing, the Recapitalization and the sale of Common Stock offered in the Offerings and the application of the net proceeds therefrom had occurred on January 1, 1996 (without any cumulative effect). The Unaudited Pro Forma Consolidated Balance Sheet reflects the Subsequent Investments and the Recent Financing as if they had occurred on June 30, 1997. Such Pro Forma Consolidated Financial Statements are based on the historical financial information of the Subsequent Investments and have been adjusted to reflect the new cost basis of net assets acquired and such other adjustments as further described in the Notes to the Unaudited Pro Forma Consolidated Financial Statements. The Unaudited Pro Forma Consolidated Financial Statements are not necessarily indicative of the results that would have occurred had the transactions occurred on the dates indicated or which may be realized in the future.

The following table presents supplemental unaudited pro forma information prepared on the same basis as the pro forma information appearing in the Unaudited Pro Forma Consolidated Financial Statements described above. Such information is provided to enhance the reader's understanding and evaluation of the effects to the Company of the Tweedy, Browne Investment, the Company's largest investment to date.

UNAUDITED PRO FORMA SUPPLEMENTAL INFORMATION(1)

	DECEMBER 31, 1996	JUNE 30, 1997
	(IN MILLIONS)	(IN MILLIONS)
Assets under Management -- at period end:		
Tweedy, Browne	$ 3,422	$ 4,564
Other Affiliates	24,325	36,608
Total	$ 27,747	$ 41,172

	YEAR ENDED DECEMBER 31, 1996	SIX MONTHS ENDED JUNE 30, 1997
	(IN THOUSANDS)	(IN THOUSANDS)
Revenues:		
Tweedy, Browne	$ 39,905	$ 23,681
Other Affiliates	81,094	41,881
Total	$ 120,999	$ 65,562
Owners' Allocation(2):		
Tweedy, Browne	$ 26,623	$ 15,958
Other Affiliates(3)	33,078	16,363
Total	$ 59,701	$ 32,321
EBITDA Contribution(4):		
Tweedy, Browne	$ 21,374	$ 12,770
Other Affiliates(5)	24,036	11,855
Total	$ 45,410	$ 24,625
OTHER FINANCIAL DATA		
Reconciliation of EBITDA Contribution to EBITDA:		
Total EBITDA Contribution (as above)	$ 45,410	$ 24,625
Less holding company expenses	(5,602)	(4,134)
EBITDA	39,808	20,491
Cash net income(6)	7,395	4,150
Cash flow from operating activities	8,736	12,047
Cash flow used in investing activities	(358,844)	(326,892)
Cash flow from financing activities	350,624	327,107

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(1) All amounts are pro forma for the inclusion of the Prior Investments and the Subsequent Investments as if such transactions occurred on January 1, 1996. See Notes to Unaudited Pro Forma Consolidated Financial Statements.

(2) Owners' Allocation represents the portion of an Affiliate's revenues which is allocated to the owners of that Affiliate, including AMG, generally in proportion to their ownership interest, pursuant to the revenue sharing agreement with such Affiliate. The Company believes that the Owners' Allocation may be useful to investors as an indicator of the revenues an Affiliate has available for distribution to the Company. Owners' Allocation, as calculated by the Company, may not be consistent with comparable computations of Owners' Allocation by other companies with revenue sharing agreements.

(3) No Affiliate other than Tweedy, Browne accounted for more than 11% and 12% of Owners' Allocation for the periods ended December 31, 1996 and June 30, 1997, respectively. No single client relationship accounted for more than 3% of Owners' Allocation for the six months ended June 30, 1997.

(4) EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to the Company, after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, tax, depreciation and amortization expenses of the Affiliate. EBITDA Contribution does not include holding company expenses. The Company believes EBITDA Contribution may be useful to investors as an indicator of each Affiliate's contribution to the Company's ability to service debt, to make new investments and to meet working capital requirements. EBITDA Contribution is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA Contribution and EBITDA, as calculated by the Company, may not be consistent with comparable computations by other companies.

(5) No Affiliate other than Tweedy, Browne accounted for more than 16% and 18% of EBITDA Contribution for the periods ended December 31, 1996 and June 30, 1997, respectively. No single client relationship accounted for more than 3% of EBITDA Contribution for the six months ended June 30, 1997.

(6) Cash net income represents earnings after income taxes but before depreciation and amortization and extraordinary items. The Company believes cash net income may be useful to investors as another indicator of funds available to the Company, which may be used to make new investments, repay debt obligations, repurchase shares of Common Stock or pay dividends on Common Stock. Cash net income, as calculated by the Company, may not be consistent with computations of cash net income by other companies. Cash net income is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

On a pro forma basis for the six months ended June 30, 1997 assets under management increased $13.4 billion, or 48%, to $41.2 billion from $27.7 billion at December 31, 1996.

Pro forma consolidated revenues were $65.6 million for the six months ended June 30, 1997 while pro forma Owners' Allocation and pro forma EBITDA Contribution were $32.3 million and $24.6 million for the same period, respectively. Of the $24.6 million of EBITDA Contribution, $12.8 million was related to Tweedy, Browne, while the remaining $11.9 million was related to the other Affiliates.

Tweedy, Browne's EBITDA Contribution was based on revenues of $23.7 million for the six months ended June 30, 1997 which were partially based upon advisory fees billed in advance. For the other Affiliates, the $11.9 million of EBITDA Contribution was based on revenues of $41.9 million for the six months ended June 30, 1997. The consolidated pro forma EBITDA Contribution did not increase proportionately to the increase in assets under management for the same period, in part because the fees for Tweedy, Browne and certain other Affiliates were billed in advance rather than in arrears.

HISTORICAL

SIX MONTHS ENDED JUNE 30, 1997 AS COMPARED TO JUNE 30, 1996

As a result of the factors described below, the Company had net income of $706,000 for the six months ended June 30, 1997 compared to a net loss of $256,000 for the six months ended June 30, 1996. The Company's net loss for the six months ended June 30, 1996 was due to a $983,000 extraordinary item related to a write-off of debt issuance costs resulting from the early retirement of debt.

Assets under management increased by $18.5 billion to $34.5 billion at June 30, 1997 from $16.0 billion at June 30, 1996 in part due to the investments made in Burridge and Gofen and Glossberg which were completed in December 1996 and May 1997, respectively. Excluding the initial assets under management of these Affiliates at their dates of investment, assets under management increased by $13.8 billion, as a result of $3.6 billion in market appreciation and $10.2 billion from net new sales.

Consolidated revenues increased by $13.4 million to $32.9 million for the six months ended June 30, 1997 from $19.5 million for the six months ended June 30, 1996. Since June 30, 1996 the Company invested in Burridge in December 1996 and Gofen and Glossberg in May 1997 and included their results from their respective purchase dates. In addition, the Company invested in First Quadrant in March 1996 and its results were included in the results for the six months ended June 30, 1996 from its purchase date. Revenues from these investments accounted for $15.1 million of the increase in revenues from 1996 to 1997 and were partially offset by a $2.0 million decline in revenues at Systematic following a period during 1996 of net client asset withdrawals. Performance-based fees, primarily earned by First Quadrant, increased by $4.5 million to $7.5 million for the six months ended June 30, 1997 compared to the six months ended June 30, 1996.

Compensation and related expenses increased by $3.3 million to $11.2 million for the six months ended June 30, 1997 from $7.9 million for the six months ended June 30, 1996, primarily as a result of the inclusion of the First Quadrant and Burridge investments.

Amortization of intangible assets increased by $369,000 to $2.0 million for the six months ended June 30, 1997 from $1.7 million for the six months ended June 30, 1996 as a result of the inclusion of the First Quadrant and Burridge investments.

Selling, general and administrative expenses increased by $6.2 million to $11.1 million for the six months ended June 30, 1997 from $4.9 million for the six months ended June 30, 1996. The First Quadrant and Burridge investments accounted for $5.7 million of this increase and the remainder was primarily due to increases in other Affiliates' selling, general and administrative expense.

Other operating expenses increased by approximately $1.3 million to $2.1 million for the six months ended June 30, 1997 from $827,000 for the six months ended June 30, 1996. The First Quadrant investment accounted for approximately $700,000 of this increase and the remainder was primarily due to increases in other Affiliates' operating expenses.

Minority interest increased by $1.3 million to $3.6 million for the six months ended June 30, 1997 from $2.3 million for the six months ended June 30, 1996 as a result of the addition of new Affiliates as described above and the Owners' Allocation growth at the Company's Affiliates.

EBITDA increased by $1.2 million to $5.2 million for the six months ended June 30, 1997 from $4.0 million for the six months ended June 30, 1996 as a result of the inclusion of new Affiliates as described above and revenue growth.

Interest expense increased $400,000 to $1.7 million for the six months ended June 30, 1997 from $1.3 million for the six months ended June 30, 1996 as a result of the increased indebtedness incurred in connection with the investments described above.

Income tax expense of $95,000 for the six months ended June 30, 1997 consisted of current provisions for state and local income taxes. For the six months ended June 30, 1997, the Company did not accrue a current provision for federal income taxes as a result of its utilization of historical net operating loss carryforwards. The Company has significant remaining tax net operating loss carryforwards resulting from prior periods of net losses from operations and from accelerated amortization for tax purposes of certain intangible assets. The Company has established a valuation allowance against its net deferred tax asset resulting from historical net operating losses. As a result of the above, the effective tax rate for the six months ended June 30, 1997 was 12%. For the six months ended June 30, 1996, the Company recorded a net tax benefit of $22,000 related to the reversal of $216,000 of net deferred tax liabilities partially offset by $194,000 of current state and local taxes.

Cash net income increased by $700,000 to $3.4 million for the six months ended June 30, 1997 from $2.7 million for the six months ended June 30, 1996 as a result of the factors affecting net income as described above, before non-cash expenses such as amortization of intangible assets, depreciation and extraordinary items of $2.7 million for the six months ended June 30, 1997 and $2.9 million for the six months ended June 30, 1996.

YEAR ENDED DECEMBER 31, 1996 AS COMPARED TO YEAR ENDED DECEMBER 31, 1995

Net loss was $2.4 million for the year ended December 31, 1996 compared to $2.9 million for the year ended December 31, 1995. The change was a result of the higher operating income from Affiliates in 1996 which was offset by an extraordinary item of $983,000 and higher depreciation and amortization, interest and minority interest expenses resulting from the inclusion of certain Affiliate results for a full year in 1996 compared to a partial period in 1995 and from the inclusion of First Quadrant's results from its acquisition date in March 1996.

Assets under management increased by $14.5 billion to $19.1 billion at December 31, 1996 from $4.6 billion at December 31, 1995, primarily as a result of the investments made in First Quadrant and Burridge which were completed in March 1996 and December 1996, respectively. Excluding the initial assets under management of these Affiliates at their date of investment, assets under management increased by $2.0 billion as a result of new sales of $495.0 million and $1.5 billion in market appreciation.

Consolidated revenues increased $36.2 million to $50.4 million for the year ended December 31, 1996 from $14.2 million for the year ended December 31, 1995. Of this increase, $25.5 million was attributable to the investment in First Quadrant in March 1996. In addition, for the year ended December 31, 1996, the results of Systematic, Paradigm, Skyline and Renaissance were included for the full period. Each of those Affiliates was only included for a portion of the year ended December 31, 1995. Performance-based fees increased by $11.8 million to $13.2 million for the year ended December 31, 1996 primarily due to the inclusion of First Quadrant which earned performance fees of $11.5 million for the period ended December 31, 1996. The Company completed its investment in Burridge on December 31, 1996.

Compensation and related expenses increased $15.1 million to $21.1 million for the year ended December 31, 1996 from $6.0 million for the year ended December 31, 1995. Of this increase, $8.1 million was attributable to the inclusion of First Quadrant. As noted above, for the year ended December 31, 1996, the expenses of each of Systematic, Skyline and Renaissance were included for the full period. In addition, $1.1 million was attributable to the increased compensation costs of AMG personnel, including the cost of new hires to support the Company's growth.

The amortization of intangible assets increased by $3.9 million to $8.1 million for the year ended December 31, 1996 from $4.2 million for the year ended December 31, 1995. Of this increase, approximately $700,000 was attributable to the First Quadrant investment and $1.2 million was due to the inclusion of the other recently acquired Affiliates for the full period. In the year ended December 31, 1996, the Company also recognized an impairment loss of $4.6 million in connection with its investment in Systematic which is included in amortization of intangible assets. The loss reflects the write down of the Company's intangible assets to its net realizable value following a period of net client asset withdrawals. In the year ended December 31, 1995, AMG also recognized $2.5 million of impairment loss amortization in connection with its Hartwell investment following a loss of client assets.

Selling, general and administrative expenses increased from $2.2 million for the year ended December 31, 1995 to $10.9 million for the year ended December 31, 1996 for the reasons stated above related to the periods of inclusion in the results of operations of the new Affiliates and due to $1.8 million of higher selling, general and administrative expenses incurred by AMG relating to its investment activities.

Other operating expenses increased from $330,000 for the year ended December 31, 1995 to $2.3 million for the year ended December 31, 1996. This $2.0 million increase was primarily due to the inclusion of operations for the First Quadrant investment for nine months and the Renaissance investment for a full year in 1996.

Minority interest increased by $3.5 million to $6.0 million for the year ended December 31, 1996 from $2.5 million for the year ended December 31, 1995, as a result of the addition of new Affiliates during the year and revenue growth at the Company's Affiliates.

EBITDA increased $7.2 million to $10.5 million for the year ended December 31, 1996 from $3.3 million for the year ended December 31, 1995 as a result of the inclusion of new Affiliates as described above and revenue growth.

Interest expense increased from $1.2 million for the year ended December 31, 1995 to $2.7 million for the year ended December 31, 1996. The increase in the interest expense was due to the incurrence of $16.1 million of average bank borrowings by the Company in connection with the Systematic, Paradigm, Skyline and Renaissance transactions and $16.0 million of average bank borrowings incurred in connection with the 1996 investment in First Quadrant for the nine months ended December 31, 1996.

Income tax expense was $181,000 for the year ended December 31, 1996 compared to $706,000 for the year ended December 31, 1995. The Company did not accrue a current provision for federal income taxes in 1996 as a result of its utilization of net operating loss carryforwards. The net operating loss carryforwards resulted from prior periods of net losses from operations. The Company has established a valuation allowance against the resulting net deferred tax asset. The effective tax rate for the year ended December 31, 1996 was 15% compared to 32% for the year ended December 31, 1995. The 1995 provision for taxes included $445,000 for state and local income taxes and $261,000 of federal income taxes. The federal income tax provision included $201,000 of deferred taxes for the effects of timing differences between the recognition of deductions for book and tax purposes primarily related to the accelerated amortization of certain intangible assets.

Cash net income increased by $6.2 million to $7.6 million for the year ended December 31, 1996 from $1.4 million for the year ended December 31, 1995, as a result of factors affecting net income as described above before non-cash charges such as amortization of intangible assets, depreciation and extraordinary items of $10.0 million for the year ended December 31, 1996 and $4.3 million for the year ended December 31, 1995.

YEAR ENDED DECEMBER 31, 1995 AS COMPARED TO DECEMBER 31, 1994

Net loss was $2.9 million for the year ended December 31, 1995 compared to $206,000 for the year ended December 31, 1994. The change occurred as a result of higher amortization of intangible assets and interest expense and was partially offset by higher operating income from Affiliates.

Assets under management increased by $3.8 billion to $4.6 billion at December 31, 1995 from $755.0 million at December 31, 1994, primarily as a result of the investments made in Systematic, Paradigm, Skyline and Renaissance which were completed in May 1995, May 1995, August 1995 and November 1995, respectively. Excluding the assets under management of these Affiliates at the dates of investment, assets under management decreased by $21.6 million as a result of net client out flows of $320.6 million and was partially offset by $299.0 million of market appreciation.

Consolidated revenues increased $8.8 million to $14.2 million for the year ended December 31, 1995 from $5.4 million for the year ended December 31, 1994. Substantially all of this increase was attributable to investments in Affiliates after December 31, 1994. In addition, for the year ended December 31, 1995, the results of Hartwell were included for the full year. Hartwell, the only Affiliate included in the results of operations for the year ended December 31, 1994, was acquired in a series of transactions in 1994. Performance fees were $1.4 million for the year ended December 31, 1995. There were no performance fees for the year ended December 31, 1994.

Compensation and related benefits expenses increased $2.4 million to $6.0 million for the year ended December 31, 1995 from $3.6 million for the year ended December 31, 1994 due to the inclusion of the new Affiliates. In addition, for the year ended December 31, 1995, the results of Hartwell were included for the full year.

The amortization of intangible assets increased by $3.4 million to $4.2 million for the year ended December 31, 1995 from $774,000 for the year ended December 31, 1994. Of this increase, $900,000, or 26%, was attributable to the investments in Affiliates during the year ended December 31, 1995 and $2.5 million was attributable to an accelerated write-off of intangible assets for the Hartwell investment following a loss of client assets.

Minority interest increased $2.2 million to $2.5 million for the year ended December 31, 1995 from $305,000 for the year ended December 31, 1994, as a result of the addition of new Affiliates during the year and revenue growth at the Company's Affiliates.

EBITDA increased by $1.9 million to $3.3 million for the year ended December 31, 1995 from $1.4 million for the year ended December 31, 1994 as a result of the inclusion of new Affiliates as described above and revenue growth.

Interest expense increased $1.0 million to $1.2 million for the year ended December 31, 1995 from $158,000 for the year ended December 31, 1994. The increase in interest expense was due to the incurrence of additional indebtedness by the Company in connection with the investments consummated during 1995.

Income tax expense was $706,000 for the year ended December 31, 1995 compared to $699,000 for the year ended December 31, 1994. The tax provision for 1994 included $335,000 of federal income taxes primarily relating to Hartwell prior to its inclusion in the Company's consolidated federal income tax return. The remaining $364,000 of income taxes in 1994 related to state and local taxes, primarily relating to Hartwell. The 1995 provision for taxes included $261,000 in federal income taxes including $201,000 in federal deferred taxes relating to timing differences in connection with the recognition of deductions for intangible assets.

Cash net income increased by approximately $800,000 to $1.4 million for the year ended December 31, 1995 from $587,000 for the year ended December 31, 1994 as a result of factors affecting net income as described above before non-cash charges such as amortization of intangible assets, depreciation and extraordinary items of $4.3 million for the year ended December 31, 1995 and $793,000 for the year ended December 31, 1994 and from the inclusion of Affiliates for the whole period which were acquired during the previous year.

LIQUIDITY AND CAPITAL RESOURCES

The Company has met its cash requirements primarily through cash generated by its operating activities, bank borrowings, and the issuance by the Company of equity and debt securities in private placement transactions. See "Certain Transactions". The Company anticipates that it will use cash flow from its operating activities to repay debt and to finance its working capital needs and will use bank borrowings and issue equity securities to finance future affiliate investments. The Company's principal uses of cash have been to make investments in Affiliates, to retire indebtedness, and to support the Company's and its Affiliates' operating activities. The Company expects that its principal use of funds for the foreseeable future will be for investments in additional affiliates, repayments of debt, including interest payments on outstanding debt, distributions of the Owners' Allocation to owners of Affiliates other than AMG, additional investments in existing Affiliates including upon the exercise of Puts (as defined herein) and for working capital purposes. The Company does not expect to make commitments for material capital expenditures.

Net cash flow from operating activities was $6.2 million, $1.3 million and $818,000 for the years ended December 31, 1996, 1995 and 1994, respectively, and $8.7 million and $912,000 for the six months ended June 30, 1997 and 1996, respectively.

Net cash flow used in investing activities was $29.2 million, $37.8 million and $6.2 million for the years ended December 31, 1996, 1995 and 1994, respectively. Of these amounts, $25.6 million, $38.0 million and $6.5 million, respectively, were used to make investments in Affiliates. Net cash flow used in investing activities was $11.8 million and $28.6 million for the six months ended June 30, 1997 and 1996, respectively. Of these amounts, $10.9 million and $25.5 million, respectively, were used to make investments in Affiliates.

At June 30, 1997 the Company had outstanding borrowings under its then existing lines of credit of $48.9 million, all of which were subsequently repaid in October 1997 with proceeds from the Credit Facility described below.

The Company completed its investments in Tweedy, Browne and GeoCapital which required approximately $314.7 million in cash, of which approximately $300.3 million (including transaction costs) was related to the Tweedy, Browne Investment. See "Unaudited Pro Forma Consolidated Financial Statements".

The Company obtained the financing for the Subsequent Investments pursuant to (i) borrowings under the Credit Facility (the "Senior Debt"), (ii) $60.0 million face amount of Subordinated Bridge Notes (the "Subordinated Debt") and (iii) $30.0 million from the issuance of Class C Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock (clauses (i) - (iii) collectively, the "Recent Financing"). The Credit Facility includes $200.0 million in revolving credit with a 7-year maturity, $50.0 million of 7-year Tranche A and $50.0 million of 8-year Tranche B term loans. Interest on the $200.0 million revolving credit and the Tranche A term loan is based on LIBOR plus up to 2.5% based upon the Company's ratio of Senior Debt to EBITDA (adjusted for certain items). Interest on the Tranche B term loan is based upon LIBOR plus a margin of 3%. The Subordinated Debt bears interest initially at LIBOR plus 7.25% which margin increases by 1/2 of 1% every quarter to a maximum cash paying rate of 15% and a maximum total interest rate of 17%. Interest accruing above 15% will be added to the face amount of the Subordinated Debt.

The Tranche A and Tranche B term loans can be prepaid without penalty at any time and the Subordinated Debt can be prepaid without penalty within six months of its issuance out of proceeds from an initial public offering. Principal repayments, if not otherwise retired from the proceeds of the Offerings, are required on the term loans in aggregate semi-annual amounts of $2.75 million during the first four years of the loans, $5.25 million during the fifth and sixth years, $16.75 million during the seventh year and $11.75 million during the eighth year.

The Company intends to retire the Subordinated Debt and to repay approximately $78.0 million of the $100.0 million of term loans under the Credit Facility and to repay approximately $1.0 million of the revolving credit portion of the Credit Facility with the net proceeds of the Offerings. As a result, upon completion of the Offerings and the application of the net proceeds therefrom and assuming the Company maintains compliance with certain financial ratios, the Company will have approximately $206.3 million of indebtedness outstanding under the Credit Facility, with approximately $15.7 million available under the Credit Facility for future investments and working capital needs. The Company plans to seek additional borrowing capacity to fund such needs through the replacement of the existing Credit Facility with a new credit facility. There can be no assurance, however, that the Company will succeed in obtaining all or any portion of such replacement financing, and the Company cannot predict at this time the terms of such financing, if obtained.

The Company's borrowings under the Credit Facility are collateralized by pledges of all of its interests in Affiliates (including all interests in Affiliates which are directly held by the Company, as well as all interests in Affiliates which are indirectly held by the Company through wholly-owned subsidiaries), representing in excess of 97% of the Company's assets at June 30, 1997 on a pro forma basis. The credit agreement (the "Credit Agreement") evidencing the Credit Facility contains a number of negative covenants, including those which prevent the Company and its Affiliates from: (i) incurring additional indebtedness (with certain enumerated exceptions, including additional borrowings under the Credit Facility and borrowings which constitute Subordinated Indebtedness (as that term is defined in the Credit Agreement)), (ii) creating any liens or encumbrances on any of their assets (with certain enumerated exceptions), (iii) selling assets outside the ordinary course of business or making certain fundamental changes with respect to the Company or any of its subsidiaries, including a restriction on the Company's ability to transfer interests in its subsidiaries if, as a result of such transfer, the Company would own less than 51% of such subsidiary, and (iv) declaring or paying dividends on the Common Stock of the Company. The Credit Agreement also requires the Company to comply with certain financial covenants on an ongoing basis. These include a covenant requiring minimum stockholders' equity of $36.0 million (plus 85% of net proceeds from offerings of equity and Subordinated Indebtedness (as such term is defined in the Credit Agreement) and 50% of quarterly net income after the date of the Credit Agreement (subject to certain adjustments in the case of any net losses)); a covenant requiring that Consolidated EBITDA (as such term is defined in the Credit Agreement) exceed interest expense by 1.75 to 1.0 (rising to 2.25 in 1999 and 3.0 thereafter); and a covenant requiring that senior debt not exceed Adjusted EBITDA (as such term is defined in the Credit Agreement) during any trailing twelve-month period by more than 6.5 to 1.0 (declining to 4.5 on October 1, 1998 and 3.5 on June 30, 1999). As of the date of this Prospectus, the Company remains in compliance with each of the foregoing financial covenants. The Company's ability to borrow under the Credit Agreement is conditioned upon its compliance with the requirements of that agreement, and any non-compliance with those requirements could give rise to a default entitling the lenders to accelerate all outstanding borrowings under that agreement.

As part of the Recent Financing, the Company also issued to Chase Equity Associates 5,333 shares of Series C-2 Non-Voting Convertible Preferred Stock and warrants to purchase at nominal cost 28,000 shares of Series C-2 Non-Voting Convertible Preferred Stock for aggregate cash consideration of $30.0 million. As partial consideration in the GeoCapital investment, the Company issued 10,667 shares of Class D Convertible Preferred Stock valued at $9.6 million. See "Certain Transactions".

Net cash flow from financing activities was $15.7 million, $46.4 million, and $9.5 million for the years ended December 31, 1996, 1995 and 1994, respectively, and was $9.6 million and $19.4 million for the six months ended June 30, 1997 and 1996, respectively. The principal sources of cash from financing activities has been from borrowings under senior credit facilities and private placements of the Company's equity securities.

The uses of cash from financing activities were for the repayment of bank debt, repayment of notes issued as purchase price consideration and for payment of debt issuance costs.

The Company's cash flows from equity issuances were $2.5 million, $30.0 million and $10.0 million for the years ended December 31, 1996, 1995 and 1994, respectively, and $2.5 million for the six months ended June 30, 1996. The 1996 cash flows from equity issuances were from the issuance and sale of 3,703 shares of Series B-1 Voting Convertible Preferred Stock in an exempt offering under Rule 701(c) of the Securities Act of 1933, as amended (the "Securities Act"), to officers, employees and consultants of Affiliates. The 1995 cash flows from equity issuances were from 19,403 shares of Series B-2 Non-Voting Convertible Preferred Stock sold to NationsBank for $13.0 million, 10,448 shares of Series B-1 Voting Convertible Preferred Stock sold primarily to The Hartford and TA Associates for an aggregate of $7.0 million, and 40,000 shares of Class A Convertible Preferred Stock sold primarily to TA Associates for $10.0 million. The 1994 cash flows from equity issuances were from 40,000 shares of Class A Convertible Preferred Stock sold primarily to TA Associates.

In March 1996, the Company replaced its then-existing $50.0 million credit facility with a $125.0 million credit facility (the "1996 Credit Facility"). The 1996 Credit Facility provided for borrowings to finance the Company's investment activities and for limited amounts of working capital. The indebtedness under the 1996 Credit Facility had a stated maturity of March 6, 2001, and accrued interest at fluctuating rates based on the prime rate or LIBOR, plus a margin ranging from 1.00% to 2.25% depending on the Company's Senior Debt to EBITDA (adjusted for certain items), as selected by the Company in connection with each borrowing under the 1996 Credit Facility. The 1996 Credit Facility was replaced by the Credit Facility as part of the Recent Financing described above.

The Company estimates that it will have approximately $206.3 million in outstanding indebtedness under the Credit Facility following the completion of the Offerings and the application of the net proceeds therefrom. See "Capitalization" and "Use of Proceeds".

In order to provide the funds necessary for the Company to continue to acquire interests in investment management firms including its Affiliates upon the exercise of Puts, it will be necessary for the Company to incur, from time to time, additional long-term bank debt and/or issue equity or debt securities, depending on market and other conditions. There can be no assurance that such additional financing will be available on terms acceptable to the Company.

INTEREST RATE SENSITIVITY

The Company's revenues are derived almost exclusively from fees which are based on the values of assets managed. Such values are affected by changes in the broader financial markets which are, in part, affected by changing interest rates. The Company cannot predict the effects that interest rates or changes in interest rates may have on either the broader financial markets or its assets under management and associated fees.

With respect to its debt financings, the Company is exposed to potential fluctuations in the amount of interest expense resulting from changing interest rates. The Company seeks to offset such exposure in part by entering into interest rate hedging contracts. See "-- Interest Rate Hedging Contracts".

Assuming outstanding Senior Debt of $206.3 million after application of proceeds of the Offerings, the Company's interest expense would increase or decrease by $258,000 for each 1/8 of 1% change in interest rates assuming LIBOR is between 5% and 6.67%.

INTEREST RATE HEDGING CONTRACTS

The Company seeks to offset its exposure under its debt financing arrangements to changing interest rates by entering into interest rate hedging contracts. As of October 15, 1997, the Company is a party, with two major commercial banks as counterparties, to $185.0 million notional amount of swap contracts which are designed to limit interest rate increases on the Company's borrowings and are linked to the three-month LIBOR. The swap contracts, upon quarterly reset dates, cap interest rates on the notional amounts at rates ranging between 6.67% and 6.78%. When LIBOR is at or below 5%, the Company's floating interest rate debt is swapped for fixed rate debt at rates ranging between 6.67% and 6.78%. The Company generally borrows at LIBOR and pays an additional interest margin as described above. The hedging contracts limit the effects of the Company's payment of interest at equivalent LIBOR rates of 6.78% or less on up to $185.0 million of indebtedness. However, there can be no assurance that the Company will continue to maintain such hedging contracts at their existing levels of coverage or that the amount of coverage maintained will cover all of the Company's indebtedness outstanding at any such time. In addition, as noted above, the Company's existing hedging contracts subject the Company to the risk of payments of higher interest rates when prevailing LIBOR rates are at 5% or less. Therefore, there can be no assurance that the hedging contracts will meet their overall objective of reducing the Company's interest expense. In addition, there can be no assurance that the Company will be successful in obtaining hedging contracts in the future on any new indebtedness.

RECENT ACCOUNTING DEVELOPMENTS

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, Earnings Per Share ("FAS 128"). FAS 128 specifies the computation, presentation and disclosure requirements for earnings per share. In June 1997, the FASB issued Statement of Financial Standards No. 130, Reporting Comprehensive Income ("FAS 130"). FAS 130 establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements. FAS 128 and FAS 130 are effective for fiscal years beginning after December 15, 1997. Early application is permitted for FAS 130 but not for FAS 128. If comparative financial statements are presented for earlier periods, those statements must be restated to reflect the application of FAS 128 and FAS 130. The Company intends to comply with the disclosure requirements of these pronouncements in 1998.

ECONOMIC AND MARKET CONDITIONS

The financial markets and the investment management industry in general have experienced record performance and record growth in recent years. For example, between December 31, 1994 and June 30, 1997, the S&P 500 Index appreciated at a compound annual rate in excess of 30% while, according to the Federal Reserve Board and the Investment Company Institute, aggregate assets under management of mutual and pension funds grew at a compound annual rate approaching 20%. The financial markets and businesses operating in the securities industry, however, are highly volatile and are directly affected by, among other factors, domestic and foreign economic conditions and general trends in business and finance, all of which are beyond the control of the Company. There can be no assurance that broader market performance will be favorable in the future. Any decline in the financial markets or a lack of sustained growth may result in a corresponding decline in performance by the Affiliates and may adversely affect assets under management and/or fees at the Affiliate level, which would reduce cash flow distributions to the Company.

INTERNATIONAL OPERATIONS

First Quadrant Limited is organized and headquartered in London, England. In the future, the Company may seek to invest in other investment management firms which are located and/or conduct a significant part of their operations outside of the United States. There are certain risks inherent in doing business internationally, such as changes in applicable laws and regulatory requirements, difficulties in staffing and managing foreign operations, longer payment cycles, difficulties in collecting investment advisory fees receivable, political instability, fluctuations in currency exchange rates, expatriation controls and potential adverse tax consequences. There can be no assurance that one or more of such factors will not have a material adverse effect on First Quadrant Limited or other non-U.S. investment management firms in which the Company may invest in the future and, consequently, on the Company's business, financial condition and results of operations.

INFLATION

The Company does not believe that inflation or changing prices have had a material impact on its results of operations.

BUSINESS

OVERVIEW

AMG is an asset management holding company which acquires majority interests in mid-sized investment management firms. The Company's strategy is to generate growth through investments in new affiliates, as well as through the internal growth of existing affiliated firms. With the completion of its investment in Tweedy, Browne, the Company's most recent and largest investment to date, AMG has grown since its founding in December 1993 to ten investment management firms with over $40 billion in assets under management.

The Company was founded in December 1993 by William J. Nutt, the Company's President, Chief Executive Officer and Chairman of the Board of Directors, and TA Associates, a Boston-based private equity investment firm. Mr. Nutt has extensive previous experience in the money management industry, including as President of The Boston Company, a leading institutional asset manager, administrator and adviser of mutual funds, and private banking institution.

AMG was established to address the succession and transition issues facing the founders and principal owners of many mid-sized investment management firms. Before AMG, succession planning alternatives for mid-sized firms were typically limited to (i) internal transfers to firm employees (at prices generally below fair market value), or (ii) the sale of 100% of the firm's equity, which often failed to provide adequate incentives for succeeding management to grow the firm.

AMG has developed an innovative transaction structure which it believes addresses the succession planning needs of growing mid-sized investment management firms. The Company believes that the AMG Structure appeals to target firms for both financial and operational reasons:

- The AMG Structure allows owners of mid-sized investment management firms to sell a portion of their interest, while ongoing management retains a significant ownership interest, with the opportunity to realize value for that interest in the future.

- The AMG Structure provides management of each Affiliate with autonomy over the day-to-day operations of their firm, and includes a revenue sharing arrangement which provides that a specified percentage of revenues are retained to pay operating expenses at the discretion of the Affiliate's management.

The Company believes that the AMG Structure distinguishes AMG from other acquirors of investment management firms which generally seek to own 100% of their target firms and, in many cases, seek to participate in the day-to-day management of such firms. AMG believes that the opportunity for managers of each Affiliate to realize the value of their retained equity interest makes the AMG Structure particularly appealing to managers of firms who anticipate strong future growth and provides those managers with an ongoing incentive to continue to grow their firm.

AMG's Affiliates have achieved substantial internal growth in assets under management. For the nine months ended September 30, 1997, the Affiliates increased their assets under management 55%. Tweedy, Browne, AMG's largest Affiliate, based on EBITDA Contribution*, achieved growth of 49% in assets under management for the same period.

The table below depicts the pro forma change in the Company's assets under management (assuming all Affiliates were included for the entire periods presented).

	YEAR ENDED DECEMBER 31, 1996	SIX MONTHS ENDED JUNE 30, 1997
	(IN MILLIONS)	
Assets under management -- beginning	$ 24,549	$ 27,747
Net new sales	666	10,355
Market appreciation	2,532	3,070
Assets under management -- ending	$ 27,747	$ 41,172

The Affiliates manage assets across a diverse range of investment styles, asset classes and client types, with significant participation in fast-growing segments such as equities, global investments and mutual funds. For the six months ended June 30, 1997, investments in equity securities represented 83% of EBITDA Contribution, while global investments represented 36% of EBITDA Contribution. For the same period, mutual fund assets represented 29% of EBITDA Contribution. Other asset classes, including fixed income, represented 17% of EBITDA Contribution; domestic investments represented 64% of EBITDA Contribution; and institutional, high net worth and other client types represented 71% of EBITDA Contribution for the same period. The three largest Affiliate mutual funds, Tweedy, Browne American Value, Tweedy, Browne Global Value and Skyline Special Equities, which represented approximately 95% of the Company's total mutual fund assets under management at September 30, 1997, are each rated "five stars", by Morningstar, Inc., and these funds' assets increased 122%, 60% and 111%, respectively, for the nine months ended September 30, 1997.

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* EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to the Company, after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, tax, depreciation and amortization expenses of the Affiliate. EBITDA Contribution does not include holding company expenses. The Company believes that EBITDA Contribution may be useful to investors as an indicator of each Affiliate's contribution to the Company's ability to service debt, to make new investments and to meet working capital requirements. EBITDA Contribution is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA Contribution and EBITDA, as calculated by the Company, may not be consistent with comparable computations by other companies.

The following table provides the pro forma composition of the Company's assets under management and relative EBITDA Contribution of the Affiliates for the six months ended June 30, 1997.

PRO FORMA ASSETS UNDER MANAGEMENT AND EBITDA CONTRIBUTION(1)

	SIX MONTHS ENDED JUNE 30, 1997			
	ASSETS UNDER MANAGEMENT (IN MILLIONS)	PERCENTAGE OF TOTAL	EBITDA CONTRIBUTION (IN THOUSANDS)	PERCENTAGE OF TOTAL
CLIENT TYPE:				
Institutional	$ 33,136	80%	$ 12,289	50%
Mutual fund	2,802	7	7,097	29
High net worth	4,667	12	3,652	15
Other	567	1	1,587	6
Total	$ 41,172	100%	$ 24,625	100%
ASSET CLASS:				
Equity	$ 21,262	52%	$ 20,395	83%
Fixed income	2,741	7	1,172	5
Tactical asset allocation	17,169	41	3,058	12
Total	$ 41,172	100%	$ 24,625	100%
GEOGRAPHY:				
Domestic investments	$ 22,684	55%	$ 15,726	64%
Global investments	18,488	45	8,899	36
Total	$ 41,172	100%	$ 24,625	100%
OTHER FINANCIAL DATA:				
Reconciliation of EBITDA Contribution to EBITDA:				
Total EBITDA Contribution (as above)			$ 24,625	
Less holding company expenses			(4,134)	
EBITDA			20,491	
Cash net income(2)			4,150	
Pro forma cash flow from operating activities			12,047	
Pro forma cash flow used in investing activities			(326,892)	
Pro forma cash flow from financing activities			327,107	

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(1) EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to the Company, after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, tax, depreciation and amortization expenses of the Affiliate. EBITDA Contribution does not include holding company expenses. The Company believes that EBITDA Contribution may be useful to investors as an indicator of each Affiliate's contribution to the Company's ability to service debt, to make new investments and to meet working capital requirements. EBITDA Contribution is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA Contribution and EBITDA, as calculated by the Company, may not be consistent with comparable computations by other companies.

(2) Cash net income represents earnings after income taxes but before depreciation and amortization and extraordinary items. The Company believes cash net income may be useful to investors as another indicator of funds available to the Company, which may be used to make new investments, repay debt obligations, repurchase shares of Common Stock or pay dividends on Common Stock. Cash net income, as calculated by the Company, may not be consistent with computations of cash net income by other companies. Cash net income is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

On an historical basis, the Company had net income of $706,000 and net loss after extraordinary item of $256,000 for the six months ended June 30, 1997 and 1996, respectively, a net loss after extraordinary item of $2.4 million for the year ended December 31, 1996 and a net loss of $2.9 million for the year ended December 31, 1995.

THE INDUSTRY

ASSETS UNDER MANAGEMENT

The investment management sector is one of the fastest growing sectors in the financial services industry. According to U.S. Federal Reserve "Flow of Funds Account" data, from 1986-1996, mutual fund assets under management grew at a compound annual growth rate of approximately 25.3%, while the aggregate assets managed on behalf of pension funds increased at a compound annual growth rate of approximately 11.9%. These assets, which totaled over $8.6 trillion in 1996, represent only a portion of the funds available for investment management. In addition, substantial assets are managed on behalf of individuals in separate accounts, for foundations and endowments, as a portion of certain insurance contracts such as variable annuity plans and on behalf of corporations and other financial intermediaries. The Company believes that demographic trends and the ongoing disintermediation of bank deposits and life insurance reserves will result in continued growth of the investment management industry.

INVESTMENT ADVISERS

The growth in industry assets under management has resulted in a significant increase in the number of investment management firms within AMG's principal targeted size range of $500 million to $10.0 billion of assets under management. Within this size range, the Company has identified over 1,000 investment management firms in the United States, and over 200 additional investment management firms in Canada, the United Kingdom and in other European and Asian countries. AMG believes that, in the coming years, a substantial number of investment opportunities will arise as founders of such firms approach retirement age and begin to plan for succession. The Company also anticipates that there will be significant additional investment opportunities among firms which are currently wholly-owned by larger entities. AMG believes that it is well positioned to take advantage of these investment opportunities because it has a management team with substantial industry experience and expertise in structuring and negotiating transactions, as well as a highly organized process for identifying and contacting investment prospects.

HOLDING COMPANY OPERATIONS

AMG's management performs two primary functions: (i) implementing the Company's strategy of growth through acquisitions of interests in prospective affiliates; and (ii) supporting, enhancing, and monitoring the activities of the existing Affiliates.

ACQUISITION OF INTERESTS IN PROSPECTIVE AFFILIATES

The acquisition of interests in new affiliates is a primary element of AMG's growth strategy. AMG management is responsible for each step in the new investment process, including identification and contact of potential affiliates, and the valuation, structuring and negotiation of transactions. In general, the Company seeks to initiate its contacts with potential affiliates on an exclusive basis and does not actively seek to participate in competitive auction processes or employ investment bankers or finders. Of the Company's ten Affiliates, three were represented by investment bankers while the remaining seven were transactions initiated by AMG management.

AMG's management identifies and develops relationships with promising potential affiliates based on a thorough understanding of its principal target universe, mid-sized investment management firms. Using its proprietary database - -- comprised of data from third party vendors, public and industry sources, and AMG research -- AMG screens and prioritizes prospects within its target universe. AMG also utilizes the database to monitor the level and frequency of interaction with potential affiliates. AMG's database and contact management system enhances the Company's ability to identify promising potential affiliates and to develop and maintain relationships with these firms.

AMG's management seeks to increase awareness of AMG's approach to investing by sending periodic mailings to 5,000 individuals involved in the industry and by actively participating in conferences and seminars related to succession planning for investment management firms. Such activities lead to a substantial number of unsolicited calls to AMG by firms which are considering succession planning issues. In addition, AMG management maintains an active calling program in order to develop relationships with prospective affiliates. In the past two years, AMG management has had discussions with over 400 firms, including visits to over 300 of these firms. The Company believes that it has established ongoing relationships with a substantial number of firms which will be considering succession planning alternatives in the future.

Once discussions with a target firm lead to transaction negotiations, AMG's management team performs all of the functions related to the valuation, structuring, and negotiation of the transaction. The Company's management team includes professionals with substantial experience in mergers and acquisitions of investment management firms.

Upon the negotiation and execution of definitive agreements, the firm contacts its clients to notify them and seek their consent to the transaction (which constitutes an assignment of the firm's investment advisory contracts) as required by the Investment Advisers Act and, with respect to mutual fund clients, seeks new contracts (as required by the Investment Company Act) through a proxy process.

AFFILIATE SUPPORT

In addition to its new investment efforts, AMG seeks to support and enhance the growth and operations of its Affiliates. AMG believes that the management of each Affiliate is in the best position to assess its firm's needs and opportunities, and that the autonomy and culture of each Affiliate should be preserved. However, when requested by Affiliate management, AMG provides strategic, marketing, and operational assistance. The Company believes that these support services are attractive to the Affiliates because such services otherwise may not be as accessible or as affordable to mid-sized investment management firms.

In addition to the diverse industry experience and knowledge of AMG's senior management, AMG maintains relationships with numerous consultants whose specific expertise enhances AMG's ability to offer a wide range of assistance. Specific Affiliate support initiatives have included: new product development, marketing material development, institutional sales assistance, recruiting, compensation evaluation, regulatory compliance audits, client satisfaction surveys, and evaluation of acquisitions of other firms by Affiliates. The Company also endeavors to negotiate discounted pricing on products and services useful to the operations of the Affiliates. For example, AMG has arranged discounts on services such as sales training seminars, sponsored conferences, public relations services, audit and tax services, insurance, and retirement benefits.

Where appropriate, AMG may assist Affiliates by facilitating access to the various resources and distribution channels of AMG's institutional investors, TA Associates, NationsBank, The Hartford, and Chase Equity Associates. For example, one of Skyline's mutual funds is made available through the NationsBanc Investments, Inc. no-load mutual fund program. Similarly, The Hartford has provided initial "seed capital" for new products at Systematic and Skyline, as well as made certain fund products available for sale to clients of its retirement planning programs. In addition, TA Associates, which in the past has introduced opportunities for new affiliate investments to the Company, has also introduced certain of the Affiliates to a number of large pension plans and endowments which are limited partners of various private equity funds sponsored by TA Associates.

AMG STRUCTURE AND RELATIONSHIP WITH AFFILIATES

As part of AMG's investment structure, each of the Affiliates is (and the Company believes that each future affiliate will be) organized as a separate and largely autonomous limited liability company or partnership. Each Affiliate operates under its own limited liability company agreement or partnership agreement (such Affiliate's "organizational document"), which includes provisions regarding the use of the Affiliate's revenues and the management of the Affiliate. The organizational document of each Affiliate also gives management owners the ability to realize the value of their retained equity interests in the future.

OPERATIONAL AUTONOMY OF AFFILIATES

The management provisions in each organizational document are jointly developed by AMG and the Affiliate's senior management at the time AMG makes its investment. These provisions, while varying among Affiliates, provide for delegation to the Affiliate's management team of the power and authority to carry on the day-to-day operation and management of the Affiliate, including matters relating to personnel, investment management policies and fee structures, product development, client relationships and employee compensation programs. AMG does, however, retain the authority to prevent certain specified types of actions which AMG believes could adversely affect cash distributions to AMG. For instance, none of the Affiliates may incur material indebtedness without the consent of AMG. AMG itself does not manage investments for clients, does not provide any investment management services and is not registered as an investment adviser under federal or state law.

REVENUE SHARING ARRANGEMENTS

AMG has a revenue sharing arrangement with each Affiliate which is contained in the organizational documents of that Affiliate. Each such arrangement allocates a specified percentage of revenues (typically 50-70%) for use by management of that Affiliate in paying operating expenses of the Affiliate, including salaries and bonuses (the "Operating Allocation"). The remaining portion of revenues of the Affiliate (typically 30-50%) is allocated to the owners of that Affiliate (including AMG), generally in proportion to their ownership of the Affiliate. The Company defines the portion of revenues that is allocated to the owners of each Affiliate as the "Owners' Allocation" because it is the portion of both revenues and cash flow which the Affiliate's management is prohibited from spending on operating expenses (under the Affiliate's organizational document) without the prior consent of AMG.

One of the purposes of the revenue sharing arrangements is to provide ongoing incentives for the managers of the Affiliates. The revenue sharing arrangements are designed to allow each Affiliate's managers to participate in their firm's growth (through their compensation from the Operating Allocation and their ownership of a portion of the Owners' Allocation) and to make operating expenditures freely within the limits of the Operating Allocation. The portion of the Operating Allocation that is not used to pay salaries and other operating expenses (the "Excess Operating Allocation") is available for payment to the managers and other key employees of such Affiliate in the form of bonuses. The managers of each Affiliate thus have an incentive to both increase revenues (thereby increasing the Operating Allocation) and to control expenses (thereby increasing the Excess Operating Allocation). The ownership by an Affiliate's management of a portion of the Affiliate, which entitles them to a portion of the Owners' Allocation, provides a further incentive to managers of each Affiliate to increase revenues.

The revenue sharing arrangements allow AMG to participate in the growth of revenues of each Affiliate, because as revenues increase, the Owners' Allocation also increases. However, the Company participates in that growth to a lesser extent than the managers of the Affiliate, because AMG does not participate in the growth of the Operating Allocation. In addition, according to the organizational documents of the Affiliates, the allocations and distributions to AMG generally take priority over the allocations and distributions to the management owners of the Affiliates, to further protect the Company if there are any expenses in excess of the Operating Allocation of the Affiliate. Thus, if an Affiliate's expenses exceed its Operating Allocation, the excess expenses first reduce the portion of the Owners' Allocation allocated to the Affiliate's management owners, until that portion is eliminated, and then reduce the portion allocated to AMG.

The following diagram depicts the allocation of the Affiliates' revenues.

[Description of Flow Diagram:]

[Diagram demonstrating the flow of revenues from an Affiliate to the Company, to management owners of the Affiliate, and to pay operating expenses of the Affiliate.]

[Diagram begins on the left side of the page with a square with "Affiliate" written inside; an arrow moves from left to right, beginning on the right side of the square, and connects to a rectangle entitled "Revenue Sharing Agreement".]

[Two arrows originate from the right side of the "Revenue Sharing Agreement" rectangle; one arrow begins at the top right corner and moves diagonally upwards to the right to an oval shape with "Operating Allocation" written inside; the bottom arrow moves diagonally downwards to the right from the lower right corner of the rectangle and connects to an oval shape with "Owners' Allocation" written inside.]

[Two arrows originate from the right side of the oval titled "Operating Allocation"; one arrow moves diagonally upwards and to the right and connects with another oval shape entitled "Salary and Bonuses to Employees; Other Operating Expenses"; the second arrow, with the words "Excess Operating Allocation" written on the arrow, moves diagonally downwards and to the right to a rectangle entitled "Affiliate Management Equity Holders".]

[The "Owners' Allocation" oval has two arrows originating on the right side; one arrow, with the words "Owners' Allocation" written on it, moves diagonally upwards and to the right and connects to the rectangle called "Affiliate Management Equity Holders" described above; the second arrow, with the words "Owners' Allocation" written on it, moves diagonally downwards and to the right and connects to a pennant-shaped symbol with "AMG" written inside.]

When AMG makes an investment in an Affiliate, the organizational document of the Affiliate includes provisions which divide revenues of the firm into the Owners' Allocation and the Operating Allocation by allocating a certain percentage to the Operating Allocation and allocating a certain percentage to the Owners' Allocation. Before agreeing to these allocations, AMG examines the revenue and expense base of the firm and only agrees to a division of revenues if AMG believes that the allocation to the Operating Allocation both (i) is sufficient to provide for the payment of all operating expenses of the Affiliate, including salaries and bonuses, and (ii) includes some Excess Operating Allocation to provide a cushion against an increase in expenses, or a decrease in revenues which is not accompanied by a corresponding decrease in operating expenses. While the Company and its management have significant experience in the asset management industry, there can be no assurance that the Company will successfully anticipate changes in the revenue and expense base of any firm and, therefore, no assurance that the agreed-upon allocation of revenues to the Operating Allocation will be sufficient to pay for all operating expenses, including salaries and bonuses of the Affiliate.

CAPITALIZATION OF RETAINED INTEREST

The incentive effect of retained equity is an integral part of the AMG Structure. In order to maximize this incentive effect, the organizational documents of each Affiliate (other than Paradigm) include various provisions for the management owners of that Affiliate to periodically realize the equity value they have created, by requiring the Company to purchase portions of their interests in the Affiliate ("Puts"). In addition, the organizational documents of certain of the Affiliates provide AMG with the ability to require the management owners to sell portions of their interests in the Affiliate to AMG ("Calls"). Finally, the organizational documents of each Affiliate include provisions obligating each management owner to sell his or her remaining interests after the termination of his or her employment with the Affiliate. Underlying all of these provisions is AMG's basic philosophy that the Company should maintain an ownership level in each Affiliate (and, conversely, the ownership level of management of that Affiliate) within a range that the Company believes offers the management of that Affiliate sufficient incentives to grow and improve their business to create equity value for themselves.

The Puts are designed to let the management owners of an Affiliate realize portions of the equity value they have created prior to their retirement. In addition, as an alternative to simply purchasing all of a management owner's interest in the Affiliate following the termination of his or her employment, the Puts enable AMG to purchase additional interests in the Affiliates at a more gradual rate. The Company believes that a more gradual purchase of interests in Affiliates will make it easier for AMG to keep its ownership of each Affiliate within a desired range, by transferring purchased interests in the Affiliate to more junior members of that Affiliate's management. In most cases, the Puts do not become exercisable for a period of several years from the date of AMG's investment in an Affiliate, and once exercisable, are generally limited in the aggregate to a percentage of a given management owner's ownership interests. The most common formulation among all the Affiliates is that a management owner's Puts (i) do not commence for five years from the date of AMG's investment (or, if later, the date he or she purchased his or her interest in the Affiliate), (ii) are limited, in the aggregate, to fifty percent of the interests he or she holds in the Affiliate, and (iii) are limited, in any twelve-month period, to ten percent of the greatest interest he or she held in the Affiliate. In addition, the organizational documents of most Affiliates contain a limitation on the maximum aggregate amount that management of any Affiliate may require AMG to purchase pursuant to their Puts in any given twelve-month period. The purchase price for Puts is based on a multiple of the Owners' Allocation of the Affiliate at the time the Put is exercised, with the multiple having been determined at the time AMG made its initial investment (the "Fair Value Purchase Price").

The Calls are designed to provide the Company and management members of the Affiliates with the assurance that a mechanism exists for AMG to facilitate a certain degree of transition within the senior management team after an agreed-upon period of time. While the Calls vary in each specific instance, in all cases, the timing, mechanism and price are agreed upon when AMG makes its investment, with the price generally being the Fair Value Purchase Price.

The organizational documents of each Affiliate provide that the management owners will realize the remaining equity value they have created upon the termination of their employment with the Affiliate. In general, upon a management owner's retirement after an agreed-upon number of years, or upon his or her earlier death, permanent incapacity or termination without cause (but with AMG's consent), that management owner is required to sell to AMG (and AMG is required to purchase from the management owner) his or her remaining interests for the Fair Value Purchase Price. In general, if a management owner quits early or is terminated for cause, his or her interests will be purchased by AMG at a reduced multiple which represents a substantial discount to the Fair Value Purchase Price, and if he or she quits or is terminated for cause within the first several years following AMG's investment (or, if later, the date he or she purchased his or her interest in the Affiliate) he or she generally receives nothing for his or her retained interest.

To the extent of the proceeds of any key-man life insurance or lump-sum disability insurance which are collected by an Affiliate upon the death or permanent incapacity of a management owner, the Affiliate, rather than AMG, would purchase that management owner's interests. A purchase by an Affiliate would have the effect of ratably increasing the ownership percentage of AMG and each of the remaining management owners, whereas the purchase by AMG only increases AMG's ownership percentage. The organizational documents of most of the Affiliates provide for the purchase of such insurance, to the extent requested by AMG, with the premiums to be paid by all owners (including AMG and management) as a deduction to the Owners' Allocation of the Affiliate.

In general, the organizational documents of each Affiliate provide the management owners with the opportunity to receive the purchase price for Puts, or sales upon termination of employment, in cash or in shares of Common Stock of AMG. The most common formulation of the right to receive the purchase price in shares of Common Stock of AMG is as follows: AMG will exchange a number of shares of Common Stock as is equal in value to seventy-five percent of the Owners' Allocation purchased in the transaction, multiplied by the multiple of EBITDA at which AMG Common Stock is then trading in the public market.

The Company believes that its investment structure, which permits management of each Affiliate to receive ownership interests in the Affiliate and to have AMG purchase such interests in accordance with a predetermined pricing formula, provides each Affiliate with an important incentive and recruiting tool. The Company also believes that the AMG Structure, which allows individuals to determine, within agreed upon limits, when to sell their interests and which permits additional issuances to future generations of management of each Affiliate, will enable the Affiliates to continue to grow as successive generations of management assume control of their firm.

THE AFFILIATES

In general, the Affiliates derive revenues by charging fees to their clients which are typically based on the market value of assets under management. In some instances, however, the Affiliates may derive revenues from fees based on investment performance.

AMG's Affiliates are listed below in alphabetical order. Unless otherwise indicated, AMG holds a majority ownership interest in each such Affiliate.

AFFILIATE	PRINCIPAL LOCATION(S)	DATE OF INVESTMENT	AMG'S EQUITY OWNERSHIP PERCENTAGE AS OF SEPTEMBER 30, 1997	ASSETS UNDER MANAGEMENT AS OF SEPTEMBER 30, 1997
				(IN MILLIONS)
Burridge..........	Chicago	December 1996	55.0%	$ 1,514
First Quadrant....	Pasadena, CA; London	March 1996	66.2	24,559(1)
GeoCapital........	New York	September 1997	60.0	2,375
Gofen and Glossberg.......	Chicago	May 1997	55.0	3,626
Hartwell..........	New York	May 1994	75.8	344
Paradigm..........	New York	May 1995	30.0	1,871
Renaissance.......	Cincinnati	November 1995	66.7	1,463
Skyline...........	Chicago	August 1995	64.0	1,238
Systematic........	Fort Lee, NJ	May 1995	90.7	1,003
Tweedy, Browne....	New York; London	October 1997	71.2	5,113
Total........				$43,106

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(1) Includes directly managed assets of $8.0 billion and $16.6 billion of assets indirectly managed using overlay strategies ("overlay strategies") which employ futures, options or other derivative securities to achieve a particular investment objective. These overlay strategies are intended to add incremental value to the underlying portfolios, which may or may not be directly managed by First Quadrant, and generate advisory fees which are generally at the lower end of the range of those generated by First Quadrant's directly managed portfolios.

BURRIDGE

Burridge, founded in 1986, is a Chicago-based firm which specializes in the management of mid-capitalization growth equity portfolios. Burridge's clients include corporate, Taft-Hartley, and public pension plans, as well as foundations, endowments and individuals. The firm applies its investment strategy through a combination of separate accounts, regional and national wrap-fee programs, and a recently introduced mutual fund. Burridge's management team is led by Chairman, Richard M. Burridge, President and Chief Executive Officer, John H. Streur, Jr., and Vice-Chairman, Kenneth M. Arenberg.

Burridge utilizes proven valuation disciplines to invest in mid-capitalization stocks with superior projected earnings growth based upon fundamental company analysis. Burridge concentrates its analysis on companies which fit the following criteria: (i) a focus on one business line; (ii) an increasing market share; (iii) a strong balance sheet; (iv) superior projected earnings growth; and (v) a proven, shareholder-oriented management team. Burridge constructs a fully invested portfolio of the 35 most attractive of such companies prioritized on anticipated earnings growth relative to their price/earnings ratios. On average, these securities are held for approximately three years, resulting in a low turnover ratio.

FIRST QUADRANT

First Quadrant, one of the largest quantitative investment managers in the world, specializes in asset allocation and style management on a global basis. First Quadrant, L.P. is headed by Robert D. Arnott, its Chief Executive Officer, a recognized leader in the field of quantitative investing, and its sister company, First Quadrant Limited, is led by William A. R. Goodsall. First Quadrant employs a highly disciplined quantitative methodology to guide its investment strategy. First Quadrant seeks to add value by assessing relative valuations across major segments of the portfolio: among asset classes, across global markets, between equity styles, and in currency allocation.

First Quadrant's management pioneered the application of style management strategies to the U.S. and major international equity markets. The firm has also pioneered a global approach to tactical asset allocation, and the Company believes it maintains a leading market share in these two products. First Quadrant offers various tailored approaches in each of the following product areas: U.S. tactical asset allocation; global tactical asset allocation (developed and/or emerging markets); U.S. equity style management; global equity style management (multi- or specific country strategies); currency management strategies; and policy allocation control strategies.

With an emphasis on research and publishing, the firm applies advanced information technology and artificial intelligence techniques to leverage traditional econometric methods in building quantitative investment systems. First Quadrant is also committed to continued innovation and product development in applying these techniques to new markets and products. Coupled with First Quadrant's management's focus on providing superior service to their large institutional clients, this innovation and performance has led to significant growth in First Quadrant's business. First Quadrant provides its services to large domestic and international corporate and public entities and pension plans. First Quadrant, L.P. has offices in Pasadena and Boston, while First Quadrant Limited is based in London. First Quadrant also maintains joint ventures with firms in Toronto, Tokyo and Paris.

GEOCAPITAL

Founded in 1979, GeoCapital invests in domestic small-capitalization equities on behalf of corporations, retirement programs, foundations, high net worth individuals and private partnerships. With principal offices in New York, the firm is led by its Chairman and Chief Investment Officer, Irwin Lieber, and its President, Barry K. Fingerhut.

GeoCapital's investment approach is to manage fully invested portfolios which blend two kinds of stocks: "growth companies" that create, commercialize, and market new technologies and services, and "special situation" companies with undervalued or unrecognized assets or earnings. GeoCapital believes that the combination of these two types of investments in a single portfolio can lessen the market risks, while providing the superior returns of investing in small companies. Utilizing their own independent fundamental analysis, GeoCapital's management studies a company from the bottom up beginning with its strategic, financial, and management strengths. Above all, GeoCapital evaluates and monitors a company's management, both before and after an investment is made. A typical investment is held for three to five years, to give either the growth or special situation stock time to realize its inherent value.

GOFEN AND GLOSSBERG

Gofen and Glossberg is one of the oldest and most respected investment counseling firms in the United States. Founded in 1932, the firm has a long history of managing assets for prominent individuals, families, retirement plans, foundations and endowments. Based in Chicago, the firm is led by its President, William H. Gofen, and its Executive Vice President, Joseph B. Glossberg.

Gofen and Glossberg custom tailors portfolios to meet the specific financial goals of each client. With the perspective that comes from managing client portfolios through numerous market cycles, Gofen and Glossberg takes a longer term approach to portfolio management (typically three to five year growth targets) in order to preserve capital while encouraging growth. Portfolio managers at Gofen and Glossberg build investment portfolios around a solid nucleus of common stocks and/or fixed income securities. The firm invests in quality companies that have strong management, a dominant market share or proprietary products and services, and growing income or cash flow.

HARTWELL

Founded in 1961, Hartwell is a New York-based growth stock manager, whose clients include high net worth individuals, an offshore hedge fund and several large private foundations. The management team is led by William C. Miller, IV.

Hartwell applies a fundamental, bottom-up approach to investing in stocks of growth companies. The firm uses a disciplined stock selection process to identify stocks of companies with strong fundamental characteristics and exposure to longer term secular trends, which the portfolio managers believe can lead to sales and earnings growth in excess of 20% per year.

Hartwell's investment professionals tailor portfolio construction to meet specific client needs. On a standardized basis, Hartwell offers three products: small-capitalization growth, medium-to large-capitalization growth and balanced accounts.

PARADIGM

Paradigm is a leader in equity style management, with an investment approach that combines passive management technology with active management insights. Paradigm's sophisticated investment process typically begins by identifying several portfolio management styles from a prototypical set of active managers who exemplify certain risk and return characteristics of the chosen styles. The process then takes the aggregate portfolios and, using a sophisticated optimization model, arrives at a smaller portfolio of stocks with risk and return characteristics that match the larger group. Paradigm offers six styles which employ this investment process: large-capitalization growth; large-capitalization value; mid-capitalization growth; mid-capitalization value; small-capitalization growth; and small-capitalization value.

Based in New York, Paradigm is led by James E. Francis, President and Chief Executive Officer. Paradigm has a diversified client list of public and private endowments and Taft-Hartley plans. AMG holds less than a 50% ownership interest in Paradigm, which is a minority-owned business.

RENAISSANCE

Based in Cincinnati, Ohio, Renaissance provides quantitatively-based investment management strategies to a variety of institutional and individual clients. The firm is led by managing directors Michael A. Schroer, Donald W. Kennedy and Paul A. Radomski.

Renaissance employs a quantitative approach to its equity, fixed income, and tactical allocation decisions. The stock selection decision is characterized by companies that have a demonstrated ability in sustaining above-average levels of profitability and below-average levels of debt. Valuation standards are further applied to determine stock-price momentum and trends in a company's earnings. Balanced and tactical asset allocation begins with a series of asset allocation models which measure and consistently monitor the relative attractiveness of cash, bonds, and equities.

The models then assign an expected capital return period for each asset class which is the final measure of investment value.

Renaissance offers large-capitalization and small-capitalization growth and American depositary receipt equity products in addition to balanced, tactical asset allocation and fixed income strategies. The firm's dynamic and flexible process allows the investment manager to customize portfolios to include client-specific needs.

SKYLINE

Skyline is a Chicago-based firm which specializes in small-capitalization and mid-capitalization value equities. Skyline manages assets for institutional clients, as well as two no-load mutual funds, Skyline Special Equities and Skyline Special Equities II. The firm is led by its President, William Dutton, who was named Morningstar Portfolio Manager of the Year in 1992.

Skyline manages equities in three value-driven portfolio styles: Small Cap Value, Small Cap Value II, and Skyline Select. The Small Cap Value approach holds stocks of small-capitalization companies ($100 million to $700 million in market capitalization). The Small Cap Value II approach holds stocks of small-capitalization to mid-capitalization companies ($400 million to $2 billion in market capitalization). The Skyline Select portfolios combines select holdings of both the Small Cap Value and Small Cap Value II series ($100 million to $2 billion in market capitalization). Each of these three strategies leads to selections of stocks which have a low price to trailing earnings multiple relative to the market, attractive earnings prospects (typically in the 10% to 20% per year range) as estimated by fundamental, in-house research, and are under-followed by the broader marketplace.

SYSTEMATIC

Located in Fort Lee, New Jersey, Systematic manages assets on behalf of a variety of corporations, jointly-trusteed and public pension funds as well as for high net worth individuals, principally through wrap programs. Systematic is led by its President, Charles J. Mohr, and its Chief Investment Officer Gyanendra (Joe) Joshi. Systematic offers three products: core value equity, small-capitalization value equity, and free cash flow value equity.

Systematic's core value equity investment approach begins with a disciplined strategy of selecting large-capitalization, low price/earnings stocks that have reported earnings in excess of consensus expectations. A quantitative screen is applied and overlayed with intensive fundamental analysis to create an equally weighted portfolio of approximately 50 to 60 stocks.

Systematic's small-capitalization value and free cash flow value equity products quantify a firm's true free cash flow and then identify stocks that are trading at a discount to the median market multiple of free cash flow. Fundamental analysis is applied to a focused list of approximately 125 stocks for the free cash flow product and 100 stocks for the small-capitalization value product from which the portfolio managers select a portfolio of approximately 40 to 50 stocks.

TWEEDY, BROWNE

Tweedy, Browne is recognized as a leading practitioner of the value-oriented investment approach first advocated by Benjamin Graham. Tweedy, Browne manages domestic, international and global equity portfolios for institutions, individuals, partnerships, and mutual funds. The firm, which is the successor to Tweedy & Co., a brokerage firm founded in 1920, is led by Christopher H. Browne, William H. Browne and John D. Spears. Based in New York, the firm also maintains a research office in London.

Tweedy, Browne's investment philosophy is to invest in companies at a substantial discount to their true business value. The firm does not attempt to time markets or focus on particular market sectors, but rather emphasizes a long-term, low turnover strategy grounded in individual stock selection.

Tweedy, Browne applies its value-oriented investment strategy to international, as well as domestic equities, with global assets representing approximately 43% of total assets under management at September 30, 1997. The firm established its two no-load mutual funds, Tweedy, Browne American Value, and Tweedy, Browne Global Value, in 1993. The funds, which are each rated "five stars" by Morningstar, Inc., represent approximately 50% of Tweedy, Browne's total assets under management at September 30, 1997.

COMPETITION

The Company operates as an asset management holding company organized to invest in mid-sized investment management firms. The Company is aware of several other holding companies which have been organized to invest in or acquire investment management firms, and the Company views these firms as among its competitors. The Company believes that the market for investments in asset management companies is and will continue to remain highly competitive. The Company competes with many purchasers of investment management firms, including other investment management holding companies, insurance companies, broker-dealers, banks and private equity firms. Many of these companies, both privately and publicly held, have longer operating histories and greater resources than the Company, which may make them more attractive to the owners of firms in which AMG is considering an investment and may enable them to offer greater consideration to such owners. Certain of the Company's principal stockholders also pursue investments in, and acquisitions of, investment management firms, and the Company may, from time to time, encounter competition from such principal stockholders with respect to certain investments. The Company believes that important factors affecting its ability to compete for future investments are (i) the degree to which target firms view the AMG Structure as preferable, financially and operationally, to acquisition or investment arrangements offered by other potential purchasers, (ii) the market value of AMG's Common Stock, which may be a form of consideration in acquisitions, and (iii) the reputation and performance of the existing Affiliates and future affiliates, by which target firms will judge AMG and its future prospects.

The Affiliates compete with a large number of domestic and foreign investment management firms, including public companies, subsidiaries of commercial banks, and insurance companies. Many of these firms have greater resources and assets under management than any of the Affiliates, and offer a broader array of investment products and services than any of the Affiliates. From time to time, Affiliates may also compete with the other Affiliates for clients. In addition, there are relatively few barriers to entry by new investment management firms, especially in the institutional managed accounts business. AMG believes that the most important factors affecting its Affiliates' ability to compete for clients are (i) the products offered, (ii) the abilities, performance records and reputation of its Affiliates and their management teams, (iii) the management fees charged, (iv) the level of client service offered, and (v) the development of new investment strategies and marketing. The importance of these factors can vary depending on the type of investment management service involved. Each Affiliate's ability to retain and increase assets under management would be adversely affected if client accounts underperform in comparison to relevant benchmarks, or if key management or employees leave the Affiliate. The ability of each Affiliate to compete with other investment management firms is also dependent, in part, on the relative attractiveness of their respective investment philosophies and methods under then prevailing market conditions.

GOVERNMENT REGULATION

Virtually all aspects of the Affiliates' businesses are subject to extensive regulation. Each Affiliate (other than First Quadrant Limited) is registered with the Commission as an investment adviser under the Investment Advisers Act. As an investment adviser, each such Affiliate is subject to the provisions of the Investment Advisers Act and the Commission's regulations promulgated thereunder. The Investment Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, recordkeeping, operational, and disclosure obligations. Each of the

Affiliates (other than First Quadrant Limited) is, as an investment adviser, also subject to regulation under the securities laws and fiduciary laws of certain states. Each of the mutual funds for which Tweedy, Browne, Skyline, and Burridge are advisors, and Renaissance and Systematic are subadvisors, is registered with the Commission under the Investment Company Act, shares of each such fund are registered with the Commission under the Securities Act, and the shares of each such fund are qualified for sale (or exempt from such qualification) under the laws of each state and the District of Columbia to the extent such shares are sold in any of such jurisdictions. As an adviser or subadviser to a registered investment company, each such Affiliate is subject to requirements under the 1940 Act and the Commission's regulations promulgated thereunder. Each Affiliate is also subject to ERISA, and to regulations promulgated thereunder, insofar as they are "fiduciaries" under ERISA with respect to certain of their clients. ERISA and the applicable provisions of the Code impose certain duties on persons who are fiduciaries under ERISA, and prohibit certain transactions involving the assets of each ERISA plan which is a client of an Affiliate, as well as certain transactions by the fiduciaries (and certain other related parties) to such plans. Each of First Quadrant, L.P. and Renaissance are also registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and each is a member of the National Futures Association. Tweedy, Browne is registered as a broker-dealer under the Exchange Act and is subject to regulation by the Commission, the National Association of Securities Dealers, Inc. and other federal and state agencies. As a registered broker-dealer, Tweedy, Browne is subject to the Commission's net capital rules. Under certain circumstances, these rules may limit the ability of Tweedy, Browne to make distributions to the Company.

A number of the Affiliates are subject to the laws of non-U.S. jurisdictions and non-U.S. regulatory agencies or bodies. For example, First Quadrant Limited, located in London, is a member of the Investment Management Regulatory Organisation of the United Kingdom, and Tweedy, Browne and other Affiliates are investment advisers to certain funds which are organized under non-U.S. jurisdictions, including Luxembourg (where they are regulated by the Institute Monetaire Luxembourgeois) and Bermuda (where they are regulated by the Bermuda Monetary Authority).

Under the Investment Advisers Act, every investment advisory contract between a registered investment adviser and its clients must provide that it may not be assigned by the investment adviser without the consent of the client. In addition, under the Investment Company Act, each contract with a registered investment company must provide that it terminates upon its assignment. Under both the Investment Advisers Act and the Investment Company Act, an investment advisory contract is deemed to have been assigned in the case of a direct "assignment" of the contract as well as in the case of a sale, directly or indirectly, of a "controlling block" of the adviser's voting securities. Such an assignment may be deemed to take place when a firm is acquired by AMG. Prior to AMG's investment, each Affiliate sought to obtain the consent of its clients to the assignment of the advisory contracts which results from the acquisition (and, in the case of mutual fund clients, sought to obtain new advisory contracts on substantially the same terms). Each investment consummated thus far has been, and the Company expects that each future investment will be, conditioned on the obtaining of such consents (and, to the extent applicable, new contracts) from substantially all of the clients of the acquired firm. The change of control provisions may limit the ability of AMG to issue Common Stock or to be acquired by a third party.

The foregoing laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict any of the Affiliates from conducting their business in the event that they fail to comply with such laws and regulations. Possible sanctions that may be imposed in the event of such noncompliance include the suspension of individual employees, limitations on the Affiliate's business activities for specified periods of time, revocation of the Affiliate's registration as an investment adviser, commodity trading adviser and/or other registrations, and other censures and fines. Changes in these laws or regulations could have a material adverse impact on the profitability and mode of operations of the Company and each of its Affiliates.

The officers, directors and employees of AMG and each of the Affiliates may, from time to time, own securities which are also owned by one or more of the Affiliates' clients. Each Affiliate and AMG has internal policies with respect to individual investments and requires reports of securities transactions and restricts certain transactions so as to minimize possible conflicts of interest.

EMPLOYEES

As of June 30, 1997, the Company and its Affiliates employed approximately 307 persons, approximately 290 of which are full-time employees. The Company and its Affiliates are not subject to any collective bargaining agreements and the Company believes that its labor relations are good.

PROPERTIES

AMG's executive offices are located at Two International Place, 23rd Floor, Boston, Massachusetts 02110. In Boston, AMG occupies 4,413 square feet under a lease which expires in July 2000. Each of the Affiliates also leases office space in the cities in which they conduct business.

LEGAL PROCEEDINGS

From time to time, the Company and its Affiliates may be parties to various claims, suits and complaints. Currently, there are no such claims, suits or complaints which, in the opinion of management, would have a material adverse effect on the Company's financial position, liquidity or results of operations.

CORPORATE LIABILITY AND INSURANCE

The businesses of the Affiliates entail the inherent risk of liability related to litigation from clients and actions taken by regulatory agencies. In addition, the Company faces liability both directly as a control person, and indirectly as a direct or indirect general partner of certain of the Affiliates. To protect its overall operations from such potential liabilities, the Company and each of its Affiliates, other than Hartwell, maintains errors and omissions and general liability insurance in amounts which the Company and its Affiliates' management consider appropriate. There can be no assurance, however, that a claim or claims will not exceed the limits of available insurance coverage, that any insurer will remain solvent and will meet its obligations to provide coverage, or that such coverage will continue to be available with sufficient limits or at a reasonable cost. A judgment against one of the Affiliates or the Company in excess of available coverage could have a material adverse effect on the Company. See "Risk Factors -- Exposure to Liability".

TRADEMARKS

"Affiliated Managers Group" is a registered trademark of the Company, with registration expiring October 2007. "Skyline Fund", the Skyline logo, Skyline Special Equities Portfolio and Skyline Special Equities II are all registered marks of the Company, with registrations expiring between November 2002 and April 2009.

MANAGEMENT

EXECUTIVE OFFICERS

The names, ages and positions of each of the executive officers of the Company, as well as a description of their business experience and past employment are as set forth below:

NAME	AGE	POSITION
William J. Nutt...............	52	President, Chief Executive Officer and Chairman of the Board of Directors
Sean M. Healey................	36	Executive Vice President
Levon Chertavian, Jr.	38	Senior Vice President, Affiliate Support
Nathaniel Dalton..............	31	Senior Vice President, General Counsel and Secretary
Brian J. Girvan...............	42	Senior Vice President, Chief Financial Officer and Treasurer
Seth W. Brennan...............	27	Vice President
Jeffrey S. Murphy.............	31	Vice President

William J. Nutt founded the Company in December 1993 and has served as its Chairman, President and Chief Executive Officer since that time. Mr. Nutt began his career at the law firm of Ballard, Spahr, Andrews & Ingersoll in Philadelphia, where he was a Partner until he joined The Boston Company in 1982. As Senior Executive Vice President of that firm, Mr. Nutt built The Boston Company's mutual fund administration, distribution and custody business serving over 45 fund sponsors with assets of $119.0 billion. In 1989, he became President, assuming overall responsibility for The Boston Company's $36.0 billion institutional money management business, its $190.0 billion master trustee and custodian business, and the personal banking and trust business of the Boston Safe Deposit and Trust Company. Mr. Nutt received a J.D. from the University of Pennsylvania and a B.A. from Grove City College. From 1991 to 1994, Mr. Nutt served on the Executive Committee of the Board of Governors of the Investment Company Institute.

Sean M. Healey joined the Company as its Executive Vice President in 1995. Prior to joining AMG, Mr. Healey was a Vice President in the Mergers and Acquisitions Department at Goldman, Sachs & Co. focusing on financial institutions. In eight years at Goldman Sachs, Mr. Healey had substantial experience advising clients and executing transactions in the investment management and related industries. Mr. Healey received a J.D. from Harvard Law School, an M.A. from University College, Dublin and an A.B. from Harvard College.

Levon Chertavian, Jr. joined the Company as a Senior Vice President of Affiliate Support in 1995. Mr. Chertavian was formerly President of USAffinity Advisers, the mutual fund operation of TransNational Group. Prior to Trans National Group, Mr. Chertavian held positions with Bain & Company, Fidelity Investments, Bankers Trust Company and Equitable Life. Mr. Chertavian received an M.B.A. from the Harvard Business School and a B.A. from Bowdoin College.

Nathaniel Dalton joined the Company as a Senior Vice President and General Counsel in 1996. Prior to joining AMG, Mr. Dalton was an attorney at Goodwin, Procter & Hoar LLP, focusing on mergers and acquisitions, including those in the asset management industry. Mr. Dalton received a J.D. from Boston University School of Law and a B.A. from the University of Pennsylvania.

Brian J. Girvan joined the Company as a Senior Vice President and Chief Financial Officer in 1997. Mr. Girvan possesses twenty years of experience in senior roles primarily within leading asset management firms. Most recently he was Chief Financial Officer of Fidelity Investments Institutional Services. Prior to that, Mr. Girvan served in various roles including Chief Financial Officer at PIMCO Advisors L.P. and Thomson Advisory Group L.P. Before joining Thomson Advisory Group, Mr. Girvan was a Vice President at Thomson McKinnon Securities and was an auditor with Coopers

& Lybrand. Mr. Girvan received a B.S. (B.B.A.) from Manhattan College and is a member of the American Institute of Certified Public Accountants.

Seth W. Brennan joined the Company as an Assistant Vice President in 1995, and became a Vice President in 1996. Prior to joining AMG, Mr. Brennan was a Financial Analyst in the Global Insurance Investment Banking Group at Morgan Stanley & Co. Incorporated. Before joining Morgan Stanley, Mr. Brennan was a Financial Analyst in the Financial Institutions Group at Wasserstein, Perella & Co. Mr. Brennan received a B.A. from Hamilton College.

Jeffrey S. Murphy joined the Company as an Assistant Vice President in 1995, and became a Vice President in 1996. Prior to joining AMG, Mr. Murphy was a Financial Analyst at United Asset Management Corporation, and prior to that, Mr. Murphy was the Assistant Controller of TA Associates, Inc. Mr. Murphy received a B.S. in Business Administration from Northeastern University.

EXECUTIVE COMPENSATION

The following table sets forth information concerning the cash compensation awarded to the Company's Chief Executive Officer and the Company's four (4) other most highly compensated executive officers whose total salary and bonus exceeded $100,000 during the fiscal year ended December 31, 1996 (collectively, the "Named Executive Officers").

1996 SUMMARY COMPENSATION TABLE

	1996 ANNUAL COMPENSATION		
NAME AND PRINCIPAL POSITION	SALARY	BONUS	ALL OTHER COMPENSATION(1)
William J. Nutt, Chairman, President and Chief Executive Officer	$354,350	$315,000	$ 26,750
Sean M. Healey, Executive Vice President	270,460	277,500	26,750
Levon Chertavian, Jr., Senior Vice President	159,227	116,667	24,813
Nathaniel Dalton, Senior Vice President (2)	98,498	100,000	17,068
Seth W. Brennan, Vice President	56,277	55,000	15,806

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(1) Includes (i) contributions by the Company under its 401(k) Profit Sharing Plan in the amount of $22,500 on behalf of each of Messrs. Nutt, Healey and Chertavian, $14,755 on behalf of Mr. Dalton and $14,375 on behalf of Mr. Brennan; and (ii) the dollar value of insurance premiums paid by the Company with respect to term life and long term disability insurance policies for the benefit of the Named Executive Officers in the amount of $4,250 on behalf of Messrs. Nutt and Healey, $2,313 on behalf of Messrs. Chertavian and Dalton and $1,431 on behalf of Mr. Brennan.

(2) Mr. Dalton's employment with the Company commenced in May 1996.

DIRECTORS

The names, ages and a description of the business experience, principal occupation and past employment during at least the last five years of each of the directors of the Company are set forth below.

NAME	AGE
William J. Nutt(1)	52
Richard E. Floor(2)	57
Roger B. Kafker(2)(3)	35
P. Andrews McLane(1)(3)	50
John M. B. O'Connor(1)(3)	43
W. W. Walker, Jr.(2)(3)	50

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(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.

(3) Messrs. McLane, Kafker, Walker and O'Connor were elected as directors in accordance with the terms of a certain Amended and Restated Stockholders' Agreement dated as of October 9, 1997 (the "Stockholders' Agreement") among the Company and certain of the Company's stockholders, including TA Associates, NationsBank, The Hartford and Chase Equity Associates, which was entered into in connection with the recent equity investment by Chase Equity Associates in the Company. These provisions of the Stockholders' Agreement will be terminated upon consummation of the Offerings.

For Mr. Nutt's biographical information, see information under "--Executive Officers".

Richard E. Floor has been a director of the Company since its formation. A professional corporation of which Mr. Floor is the sole stockholder is and has been a partner at the law firm of Goodwin, Procter & Hoar LLP or its predecessor since 1975. Mr. Floor is also a director of Town & Country Corporation, a jewelry manufacturer, and New America High Income Fund, a closed-end investment company.

Roger B. Kafker has been a director of the Company since its formation. Mr. Kafker has been associated with TA Associates, Inc. or its predecessor since 1989 and became a Principal of that firm in 1994 and a Managing Director in 1995. Mr. Kafker is also a director of ANSYS Inc., a software company, Boron, LePore & Associates, Inc., a service provider to the pharmaceutical industry, and Monarch Dental Corporation, a dental practice management company.

P. Andrews McLane has been a director of the Company since its formation. He has been at TA Associates, Inc. or its predecessors since 1979, where he is a Managing Director and a member of the firm's Executive Committee. Mr. McLane leads TA Associates' investment activities in the asset management industry. Mr. McLane is also a director of Altamira Management Ltd, an investment management firm based in Toronto, Canada, and Allegis Realty Investors, LLC, a real estate investment management firm.

John M. B. O'Connor has been a director of the Company since October 9, 1997. Mr. O'Connor is a General Partner of Chase Capital Partners which he joined in May 1995. Mr. O'Connor has been employed by Chase Manhattan Corporation or its predecessors since 1987 in a variety of senior investment banking positions including management of Corporate Securities Sales, Trading and Research. Mr. O'Connor is also a director of United States Corrections Corporation, a correctional services company, and Hamilton Services Limited, a technology and insurance services provider to insurance and reinsurance companies.

W. W. Walker, Jr. has been a director of the Company since April 1997. Since 1972, Mr. Walker has been employed by NationsBank, N.A. or its predecessor, where he has held positions in various departments including corporate banking, private placements, syndications and project finance.

Mr. Walker founded NationsBank Capital Investors in 1993 and is presently a Managing Director of that group.

The number of members of the Board of Directors of the Company is currently fixed at six. Within 90 days after the completion of the Offerings, the Company intends to expand the Board of Directors and elect at least two additional Directors who will not be officers or employees of the Company.

The Company's Board of Directors has established an Audit Committee (the "Audit Committee") and a Compensation Committee (the "Compensation Committee"). The Audit Committee recommends the firm to be appointed as independent accountants to audit financial statements and to perform services related to the audit, reviews the scope and results of the audit with the independent accountants, reviews with management and the independent accountants the Company's year-end operating results, considers the adequacy of internal accounting procedures and considers the effect of such procedures on the accountants' independence. The Audit Committee will consist, upon consummation of the Offerings, of Messrs. Floor, Kafker and Walker. The Compensation Committee, which will consist, upon consummation of the Offerings, of Messrs. Nutt, McLane and O'Connor, reviews and recommends the compensation arrangements for all directors and officers, except that Mr. Nutt does not participate in the recommendation of his compensation arrangements.

COMPENSATION OF DIRECTORS

Directors of the Company who are also employees receive no additional compensation for their services as a director. Non-employee directors ("Independent Directors") do not currently receive a fee for their service as directors, although the Board of Directors may determine to pay such a fee in the future. Also, Independent Directors may be entitled to receive options to purchase shares of Common Stock. See "-- The 1997 Stock Plan".

All directors of the Company are reimbursed for travel expenses incurred in attending meetings of the Board of Directors and its committees.

COMPENSATION, BENEFIT AND RETIREMENT PLANS

The Company currently has in place the following stock plans: The Affiliated Managers Group, Inc. 1994 Incentive Stock Plan, The Affiliated Managers Group, Inc. 1995 Incentive Stock Plan, The Affiliated Managers Group, Inc. 1995 Stock Purchase Plan, and The Affiliated Managers Group, Inc. 1997 Stock Option and Incentive Plan (collectively, the "Plans"). Upon consummation of the Offerings and after giving effect to the grants made in connection with the Offerings, under the Plans, the Company will have (i) awarded options to purchase up to 672,500 shares of Common Stock, or approximately 4.2% of the outstanding Common Stock of the Company, to members of senior management, (ii) issued 337,500 shares of restricted Common Stock, or approximately 2.1% of the outstanding Common Stock of the Company, to members of senior management, (iii) issued for sale 184,150 shares of Common Stock, or approximately 1.1% of the outstanding Common Stock of the Company, to certain officers, managers of Affiliates and consultants and advisors of the Company, and (iv) reserved 2,523,850 shares, or approximately 13.6% of the outstanding Common Stock of the Company (including shares reserved under the Plans), for issuance under the Plans. Overall, members of the Company's senior management own an aggregate 1,657,048 shares of Common Stock (on a fully diluted basis and giving effect to the Recapitalization and including shares of stock purchased outside of the Plans), or approximately 9.9% of the outstanding Common Stock of the Company. The following is a brief summary of each of the Plans.

THE 1994 PLAN

On March 31, 1994, the Board of Directors adopted, and the stockholders of the Company subsequently approved, the Affiliated Managers Group, Inc. 1994 Incentive Stock Plan. On November 7, 1995, the Board of Directors adopted, and the stockholders of the Company approved, an amendment and restatement of the 1994 Incentive Stock Plan (as so amended and restated, the "1994 Plan") pursuant to which the number of shares of Common Stock reserved under the 1994 Plan was reduced to 125,000.

The 1994 Plan permits (i) the grant of options to purchase shares of Common Stock intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended, (the "Code") ("Incentive Options"), (ii) the grant of options that do not so qualify ("Non-Qualified Options"), and (iii) the issuance of stock which may be subject to certain restrictions ("Restricted Stock"). The 1994 Plan was designed and intended as a performance incentive for officers, employees, consultants and other key persons performing services for the Company to encourage such persons to acquire or increase a proprietary interest in the success and progress of the Company. As of June 30, 1997, no options had been awarded under the 1994 Plan, and the Company had issued an aggregate of 125,000 shares of Restricted Stock under the 1994 Plan. The Company does not intend to make any grants under the 1994 Plan after the consummation of the Offerings.

THE 1995 PLAN

On November 7, 1995, the Board of Directors adopted, and the stockholders of the Company subsequently approved, the Affiliated Managers Group, Inc. 1995 Incentive Stock Plan, under which 425,000 shares of Common Stock were authorized and reserved for issuance. In May 1997, the Board of Directors voted to amend and restate, and the stockholders of the Company subsequently approved the amendment and restatement of, the 1995 Incentive Stock Plan (as so amended and restated, the "1995 Plan"). Under the 1995 Plan, a total of 425,000 shares of Common Stock are authorized and reserved for issuance.

The 1995 Plan permits (i) the grant of Incentive Options, (ii) the grant of Non-Qualified Options, and (iii) the issuance of Restricted Stock. Like the 1994 Plan, the 1995 Plan was designed and intended as a performance incentive for officers, employees, consultants and other key persons performing services for the Company to encourage such persons to acquire or increase a proprietary interest in the success and progress of the Company. In May 1997, the Company granted options to purchase an aggregate of 1,850 shares of Class A Convertible Preferred Stock (carrying a $250 per share liquidation preference and convertible into an aggregate of 92,500 shares of Common Stock) at an exercise price of $455 per share (or $9.10 per underlying share of Common Stock), consisting of options to purchase 500, 500, 200, 300, 250 and 100 shares of Class A Convertible Preferred Stock granted to Messrs. Nutt, Healey, Chertavian, Dalton, Brennan and Murphy, respectively. As of June 30, 1997, the Company had issued an aggregate 212,500 shares of Restricted Stock under the 1995 Plan. The Company does not intend to make any grants under the 1995 Plan after the consummation of the Offerings.

THE 1997 STOCK PLAN

The 1997 Stock Option and Incentive Plan (the "1997 Stock Plan") was adopted by the Board of Directors in October 1997 and was subsequently approved by the Company's stockholders. The 1997 Stock Plan permits (i) the grant of Incentive Options, (ii) the grant of Non-Qualified Options, (iii) the grant of stock appreciation rights, (iv) the issuance or sale of Common Stock with vesting or other restrictions, (v) the issuance or sale of Common Stock without restrictions ("Unrestricted Stock"), (vi) the grant of the right to receive Common Stock in the future with or without vesting or other restrictions ("Deferred Stock Awards"), (vii) the grant of Common Stock upon the attainment of specified performance goals ("Performance Share Awards"), and (viii) the grant of the right to receive cash dividends with the holders of the Common Stock as if the recipient held a specified number of shares of the Common Stock ("Dividend Equivalent Rights"). These grants may be made to officers and other employees, directors, advisors, consultants and other key persons of the Company and its subsidiaries. The 1997 Stock Plan provides for the issuance of 1,750,000 shares of Common Stock. Certain Incentive Options and Non-Qualified Options will be granted to employees in connection with the Offerings. See "-- New Plan Benefits". On and after the date the 1997 Stock Plan becomes subject to Section 162(m) of the Code, options or stock appreciation rights with respect to no more than 700,000 shares of Common Stock may be granted to any one individual in any calendar year.

The following summary description is qualified in its entirety by the 1997 Stock Plan, a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus is a part.

PLAN ADMINISTRATION; ELIGIBILITY. The 1997 Stock Plan is administered by the Board of Directors or the Compensation Committee (the "Administrator"). If the 1997 Stock Plan is administered by the Compensation Committee, then all members of the Compensation Committee must be "disinterested persons" as that term is defined under the rules promulgated by the Commission. On and after the date the 1997 Stock Plan becomes subject to Section 162(m) of the Code, all members of the Compensation Committee must be "outside directors" as defined in Section 162(m) of the Code and the regulations promulgated thereunder.

The Administrator has full power to select, from among the employees and other persons eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 1997 Stock Plan.

Persons eligible to participate in the 1997 Stock Plan will be those officers, employees and other key persons, such as consultants, of the Company and its subsidiaries who are responsible for or contribute to the management, growth or profitability of the Company and its subsidiaries, as selected from time to time by the Administrator. Independent Directors will also be eligible for certain awards under the 1997 Stock Plan.

STOCK OPTIONS. The 1997 Stock Plan permits the granting of (i) Incentive Options and (ii) Non-Qualified Options. Only employees of the Company and its subsidiaries may be granted Incentive Options. The option exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of the Common Stock on the date of grant in the case of Incentive Options, and may not be less than 85% of the fair market value of the Common Stock on the date of grant in the case of Non-Qualified Options. Employees participating in the 1997 Stock Plan may, however, elect, with the consent of the Administrator, to receive discounted Non-Qualified Options in lieu of cash bonuses. In the case of such grants, the option exercise price may be less than 85% of the fair market value of the Common Stock on the date of grant.

STOCK OPTIONS GRANTED TO INDEPENDENT DIRECTORS. The 1997 Stock Plan contemplates the grant to each additional Independent Director of a Non-Qualified Option upon his or her initial election to the Board of Directors. The exercise price of each such Non-Qualified Option would be the fair market value of the Common Stock on the date of grant, and each such grant would be subject to vesting requirements as determined by the Administrator. The Administrator may also grant additional Non-Qualified Options to Independent Directors.

STOCK APPRECIATION RIGHTS. The Administrator may award a stock appreciation right ("SAR") either as a freestanding award or in tandem with a stock option. Upon exercise of the SAR, the holder will be entitled to receive an amount equal to the excess of the fair market value on the date of exercise of one share of Common Stock over the exercise price per share specified in the related stock option (or, in the case of a freestanding SAR, the price per share specified in such right, which price may not be less than 85% of the fair market value of the Common Stock on the date of grant) times the number of shares of Common Stock with respect to which the SAR is exercised. This amount may be paid in cash, Common Stock, or a combination thereof, as determined by the Administrator.

RESTRICTED STOCK. The Administrator may also award shares of Restricted Stock to officers, other employees and key persons of the Company. The conditions and restrictions applicable to the Restricted Stock may include the achievement of certain performance goals and/or continued employment with the Company through a specified restricted period. These conditions and restrictions, as well as the purchase price of shares of Restricted Stock, will be determined by the Administrator. If the performance goals and other restrictions are not attained, the employees will forfeit their awards of Restricted Stock.

UNRESTRICTED STOCK. The Administrator may also grant shares (at no cost or for a purchase price determined by the Administrator) of Unrestricted Stock to employees and key persons in recognition of past services or other valid consideration, and shares of Unrestricted Stock may be issued in lieu of cash compensation to be paid to such employees and key persons.

DEFERRED STOCK AWARDS. The Administrator may also award Deferred Stock Awards which are ultimately payable in the form of shares of Unrestricted Stock. The Deferred Stock Awards may be subject to such conditions and restrictions as the Administrator may determine, including the achievement of certain performance goals and/or continued employment with the Company through a specified restricted period. If the performance goals and other restrictions are not attained, the participants will forfeit their Deferred Stock Awards.

Subject to the consent of the Administrator, an Independent Director, an employee or key person of the Company may make an irrevocable election to receive a portion of his fees or compensation in Deferred Stock Awards (valued at fair market value on the date the cash compensation would otherwise be paid).

PERFORMANCE SHARE AWARDS. The Administrator may also grant Performance Share Awards to employees or other key persons of the Company entitling the recipient to receive shares of Common Stock upon the achievement of individual or Company performance goals and such other conditions as the Administrator shall determine.

DIVIDEND EQUIVALENT RIGHTS. The Administrator may grant Dividend Equivalent Rights, which give the recipient the right to receive credits for dividends that would be paid if the grantee had held specified shares of Common Stock. Dividend Equivalent Rights may be settled in cash, shares, or a combination thereof.

AMENDMENTS AND TERMINATION. The Board of Directors may at any time amend or discontinue the 1997 Stock Plan and the Administrator may at any time amend or cancel outstanding awards for the purpose of satisfying changes in the law or for any other lawful purpose. No such action may be taken, however, which adversely affects any rights under outstanding awards without the holder's consent. Further, amendments to the 1997 Stock Plan shall be subject to approval by the Company's stockholders if and to the extent required by the Code to preserve the qualified status of Incentive Options or to preserve tax deductibility of compensation earned under stock options and stock appreciation rights.

CHANGE IN CONTROL PROVISIONS. The 1997 Stock Plan provides that in the event of a sale of all or substantially all of the assets or Common Stock of the Company, a merger or consolidation which results in a change in control of the Company or the liquidation or dissolution of the Company (a "Change in Control"), all stock options and stock appreciation rights shall automatically become fully exercisable. In addition, at any time prior to or after a Change of Control, the Administrator may accelerate awards and waive conditions and restrictions on any awards to the extent it may determine appropriate.

NEW PLAN BENEFITS. Approximately 307 employees and 5 non-employee directors are currently eligible to participate in the 1997 Stock Plan. The table below shows the options that will be granted to employees in connection with the Offerings.

1997 STOCK PLAN

NAME AND POSITION	NUMBER OF SHARES UNDERLYING STOCK OPTIONS(1)
William J. Nutt, Chairman, President and Chief Executive Officer	180,000
Sean M. Healey, Executive Vice President	170,000
Levon Chertavian, Jr., Senior Vice President	30,000
Nathaniel Dalton, Senior Vice President	57,500
Brian J. Girvan, Senior Vice President	57,500
Seth W. Brennan, Vice President	50,000
Jeffrey S. Murphy, Vice President	35,000
Executive Group (7 persons)	580,000
Non-Executive Officer Employee Group (2 persons)	10,000

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(1) All options will be granted to the employees with an exercise price equal to the initial public offering price per share. In general, the options will be exercisable over seven years, with 15% exercisable at the end of each of the first six anniversaries of the date of grant and 10% exercisable on the seventh anniversary. The exercisability of these options will be accelerated upon a change in control (as defined in the 1997 Stock Plan) and upon the achievement with respect to any future calendar quarter of a level of pro forma cash net income per share which, on a comparable basis, equals or exceeds 2.44 times the pro forma cash net income per share for the quarter ended September 30, 1997.

TAX ASPECTS UNDER THE CODE. The following is a summary of the principal Federal income tax consequences of option grants under the 1997 Stock Plan. It does not describe all Federal tax consequences under the 1997 Stock Plan, nor does it describe state or local tax consequences.

Incentive Options. Under the Code, an employee will not realize taxable income by reason of the grant or the exercise of an Incentive Option. If an employee exercises an Incentive Option and does not dispose of the shares until the later of (a) two years from the date the option was granted or (b) one year from the date the shares were transferred to the employee, the entire gain, if any, realized upon disposition of such shares will be taxable to the employee as long-term capital gain, and the Company will not be entitled to any deduction. If an employee disposes of the shares within such one-year or two-year period in a manner so as to violate the holding period requirements (a "disqualifying disposition"), the employee generally will realize ordinary income in the year of disposition, and, provided the Company complies with applicable withholding requirements, the Company will receive a corresponding deduction, in an amount equal to the excess of (i) the lesser of (x) the amount, if any, realized on the disposition and (y) the fair market value of the shares on the date the option was exercised over (ii) the option price. Any additional gain realized on the disposition of the shares acquired upon exercise of the option will be long-term or short-term capital gain and any loss will be long-term or short-term capital loss depending upon the holding period for such shares. The employee will be considered to have disposed of his shares if he sells, exchanges, makes a gift of or transfers legal title to the shares (except by pledge or by transfer on death). If the disposition of shares is by gift and violates the holding period requirement, the amount of the employee's ordinary income (and the Company's deductions) is equal to the fair market value of the shares on the date of exercise less the option price. If the disposition is by sale or exchange, the employee' tax basis will equal the amount paid for the shares plus any ordinary income realized as a result of the disqualifying distribution. The exercise of an Incentive Option may subject the employee to the alternative minimum tax.

Special rules apply if an employee surrenders shares of Common Stock in payment of the exercise price of an Incentive Option.

An Incentive Option that is exercised by an employee more than three months after an employee's employment terminates will be treated as a Non-Qualified Option for Federal income tax purposes. In the case of an employee who is disabled, the three-month period is extended to one year and in the case of an employee who dies, the three-month employment rule does not apply.

Non-Qualified Options. There are no Federal income tax consequences to either the optionee or the Company on the grant of a Non-Qualified Option. On the exercise of a Non-Qualified Option, the optionee has taxable ordinary income equal to the excess of the fair market value of the Common Stock received on the exercise date over the option price of the shares. The optionee's tax basis for the shares acquired upon exercise of a Non-Qualified Option is increased by the amount of such taxable income. The Company will be entitled to a Federal income tax deduction in an amount equal to such excess. Upon the sale of the shares acquired by exercise of a Non-Qualified Option, the optionee will realize long-term or short-term capital gain or loss depending upon his or her holding period for such shares.

Special rules apply if an optionee surrenders shares of Common Stock in payment of the exercise price of a Non-Qualified Option.

1995 STOCK PURCHASE PLAN

On November 28, 1995, the Board of Directors adopted the Affiliated Managers Group, Inc. 1995 Stock Purchase Plan (the "1995 Purchase Plan"), under which 4,477 shares of Series B-1 Voting Convertible Preferred Stock of the Company (convertible into 223,850 shares of Common Stock) were authorized for issuance. The 1995 Purchase Plan was designed to provide certain employees, directors, general partners, officers, consultants and advisors with the opportunity to purchase shares of capital stock of the Company. In June 1996, the Company issued an aggregate 3,703 shares of Series B-1 Voting Convertible Preferred Stock (which are convertible, in the aggregate, into 185,150 shares of Common Stock immediately prior to the Offerings), to certain members of management and advisors of the Company, including 150 and 38 shares of Series B-1 Voting Convertible Preferred Stock (convertible into 7,500 and 1,900 shares of Common Stock, respectively) to Mr. Chertavian and Mr. Murphy, respectively, as well as managers of certain Affiliates, for an aggregate consideration of approximately $2.5 million (the "1996 Offering"). In connection with the 1996 Offering, each of the purchasers executed a stock purchase and restriction agreement pursuant to which the shares purchased by each such purchaser are subject to certain restrictions on transfer. There are currently 774 shares of Series B-1 Voting Convertible Preferred Stock (convertible into 38,700 shares of Common Stock) available for issuance and sale under the 1995 Purchase Plan. The Company does not intend to issue any additional shares of stock under the 1995 Purchase Plan.

KEY EXECUTIVE LIFE INSURANCE

The Company currently maintains, and is the sole beneficiary of, $10,000,000 in life insurance policies on William J. Nutt and a $2,000,000 life insurance policy on Sean M. Healey. In addition, the Company and the Affiliates carry life insurance policies on the lives of certain key members of management of the Affiliates who have interests in that Affiliate in amounts which the Company considers sufficient to repurchase such individuals' direct or indirect interest in such Affiliate. The Company also currently maintains, and is the sole beneficiary of, additional life insurance policies on the lives of certain key members of management of the Affiliates. These key executive life insurance policies range from $100,000 to $10,000,000. See "Business -- AMG Structure and Relationship with Affiliates -- Capitalization of Retained Interest" and "Risk Factors -- Reliance on Key Management".

PENSION AND PROFIT SHARING PLANS

The Company currently maintains the Affiliated Managers Group, Inc. 401(k) Profit Sharing Plan (the "Profit Sharing Plan"). Under the Profit Sharing Plan, qualifying employees of the Company and the participating Affiliates are able to both accumulate savings by means of a salary reduction, as well as participate in the profits of their participating employer (either the Company or the applicable Affiliate). Any contributions by the Company under the Profit Sharing Plan are determined annually by the Compensation Committee, while contributions by participating Affiliates are determined by their respective management teams and funded out of such respective Affiliate's Operating Allocation. Certain of the Affiliates maintain their own 401(k) and profit sharing plans.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Since January 1, 1996, the Company's executive compensation decisions have been made by the Compensation Committee of the Board of Directors, consisting of Messrs. McLane and Floor, neither of whom is an employee of the Company. Upon consummation of the Offerings, the Company's Compensation Committee will consist of Messrs. McLane, Nutt and O'Connor. After the Offerings, the Compensation Committee will review and recommend executive compensation arrangements for all officers and employees other than Mr. Nutt, and the members of the Compensation Committee other than Mr. Nutt will review and recommend all executive compensation arrangements with respect to Mr. Nutt.

CERTAIN TRANSACTIONS

In August 1997, the Company entered into a series of transactions in connection with the Tweedy, Browne Investment, including:

(i) entering into a Preferred Stock and Warrant Purchase Agreement (the "Preferred Stock Purchase Agreement") with Chase Equity Associates, whereby on October 9, 1997, Chase Equity Associates invested $30 million in the Company and acquired 5,333 shares of Series C-2 Non-Voting Convertible Preferred Stock of the Company and warrants to purchase up to an additional 28,000 shares of Series C-2 Non-Voting Convertible Preferred Stock of the Company (convertible into 266,650 and 1,400,000 shares of Common Stock, respectively); and

(ii) entering into a Securities Purchase Agreement (the "Securities Purchase Agreement") with Chase Equity Associates, whereby on October 9, 1997, Chase Equity Associates invested $60 million and acquired senior subordinated notes (the "Subordinated Notes"). In addition, warrants to purchase Class B Common Stock (the "Class B Warrants") of the Company were issued into an escrow, to be issued to the holders of the Subordinated Notes, if such Subordinated Notes were not paid on or prior to April 7, 1998.

In connection with these transactions, on October 9, 1997, the Company entered into an Amended and Restated Stockholders' Agreement (the "Stockholders' Agreement") with TA Associates, NationsBank, The Hartford, Chase Equity Associates and certain members of senior management and their transferees (collectively, the "Investors").

Pursuant to the terms of the Stockholders' Agreement, (i) each Investor and the holders of shares of Class B Common Stock after exercise of the Class B Warrants (the "Warrant Shareholders") received from the Investors holding shares of Class A Convertible Preferred Stock of the Company (the "Class A Investors"), and the Class A Investors granted to the other Investors and the Warrant Shareholders, rights (the "Class A Co-Sale Rights") to participate on a pro rata basis in certain resales of shares of Class A Convertible Preferred Stock (or Common Stock issuable upon conversion thereof), (ii) the Investors holding shares of Class B Preferred Stock of the Company (the "Class B Investors") and the Investors holding shares of Class C Preferred Stock of the Company (the "Class C Investors") agreed to certain restrictions on transfers of shares, (iii) each Class B Investor and each Class C Investor granted to the Warrant Shareholders rights (the "Warrant Shareholder Co-Sale Rights") to participate on a pro-rata basis in certain resales of shares of capital stock, (iv) each Investor agreed to sell such Investor's shares of capital stock in the Company in certain circumstances if a majority-in-interest of the stockholders negotiated such a sale with an unaffiliated third party, (v) Chase Equity Associates granted to NationsBank a right (the "Right of First Offer") to purchase its shares of capital stock and Class B Warrants in certain circumstances, (vi) each Investor and Warrant Shareholder received "piggy-back" registration rights, (vii) each Investor and Warrant Shareholder received demand registration rights, (viii) each Investor and Warrant Shareholder was granted participation rights with respect to certain future issuances of securities by the Company, and (ix) each Investor agreed to elect one individual nominated by the Class C Investors, one individual nominated by NationsBank and The Hartford, and two individuals nominated by TA Associates to the Board of Directors. Messrs. O'Connor, Walker, Kafker and McLane have been elected as directors of the Company pursuant to the Stockholders' Agreement. Each of the rights of the Warrant Shareholders under the Stockholders' Agreement are of no force or effect unless or until the Class B Warrants become eligible to be released from escrow. The Class B Warrants will terminate unexercised in connection with the repayment of the Subordinated Debt.

Effective upon and subject to the consummation of the Offerings, provisions of the Stockholders' Agreement relating to the participation rights, the Class A Co-Sale Rights, the Warrant Shareholder Co-Sale Rights, the Right of First Offer, the restrictions on transfer of shares, and the election of the directors will terminate in accordance with their terms.

In connection with these transactions, the Company has paid certain fees to Chase Equity Associates, including (i) a facility fee of $1.2 million, (ii) a commitment fee of approximately $45,000 and (iii) a take down fee of $1.2 million. Chase Equity Associates is a limited partnership whose sole limited partner is an affiliate of Chase Manhattan Corporation (the parent company of The Chase Manhattan Bank) and whose sole general partner has as its partners certain employees of The Chase Manhattan Bank (including John M. B. O'Connor, a director of the Company) and an affiliate of Chase Manhattan Corporation.

In October 1997, the Company entered into the Credit Facility. In connection with entering into the Credit Facility, the Company has paid The Chase Manhattan Bank an underwriting fee of $6 million. In addition, in connection with the Credit Facility, the Company agreed to pay Chase Securities, Inc. an annual administrative agency fee of $75,000. The Company also paid The Chase Manhattan Bank a commitment fee of approximately $437,500 for the period June 26, 1997 through October 1997.

In September 1997, the Company paid $14.4 million in cash and issued an aggregate of approximately 10,667 shares of Class D Convertible Preferred Stock (convertible into 533,331 shares of Common Stock) with a value of approximately $9.6 million in connection with the merger of GeoCapital Corporation with and into a wholly owned subsidiary of the Company. The stockholders of GeoCapital Corporation were Irwin Lieber and Barry K. Fingerhut and members of their immediate families. Before giving effect to the Offerings, Messrs. Lieber and Fingerhut and their families are the sole holders of the Class D Convertible Preferred Stock.

In June 1996, a retirement plan for the benefit of Mr. Chertavian, an executive officer of the Company, invested $100,500 to purchase 150 shares of the Company's Series B-1 Voting Convertible Preferred Stock (convertible into 7,500 shares of Common Stock) pursuant to an offering under the Company's 1995 Stock Purchase Plan.

In August 1995, the Skyline Funds, for which Skyline provides investment advisory services, retained Funds Distributor, Inc., as a distributor of shares in the Skyline Funds. Mr. Nutt is Chairman of Funds Distributor, Inc., and the Chairman and Chief Executive Officer and majority stockholder of its parent, Boston Institutional Group, Inc. Since January 1996, the Skyline Funds have paid Funds Distributor, Inc. approximately $162,000.

In December 1996, the Burridge Capital Development Fund, for which Burridge provides investment advisory services, retained Funds Distributor, Inc., as a distributor of shares in the Burridge Capital Development Fund. Since this time, the Burridge Capital Development Fund has paid Funds Distributor, Inc. approximately $76,000.

Since January 1996, the Company has retained Goodwin, Procter & Hoar LLP (and its predecessor Goodwin, Procter & Hoar) for certain legal services. Richard E. Floor, a director of the Company, is the sole shareholder of Richard E. Floor, P.C., which is a partner in Goodwin, Procter & Hoar LLP and was a partner in its predecessor.

The Company believes that all of the transactions identified above were conducted on terms no less favorable to the Company than could have been obtained from unaffiliated third parties.

PRINCIPAL STOCKHOLDERS

The following table sets forth as of October 15, 1997 and as adjusted to reflect the sale of the shares of Common Stock in the Offerings certain information regarding the beneficial ownership of Common Stock by (i) each person or "group" (as that term is defined in Section 13(d)(3) of the Exchange Act) known by the Company to beneficially own more than 5% of the Common Stock, (ii) each Named Executive Officer, (iii) each director of the Company and (iv) all directors and executive officers as a group (12 persons). Except as otherwise indicated, the Company believes, based on information furnished by such persons, that each person listed below has sole voting and investment power over the shares of Common Stock shown as beneficially owned, subject to community property laws, where applicable.

NAME OF BENEFICIAL OWNER(1)	NUMBER OF SHARES BENEFICIALLY OWNED(2)	PERCENTAGE OF SHARES BENEFICIALLY OWNED(2)	
		BEFORE OFFERINGS	AFTER OFFERINGS
TA Associates Group (3)	3,895,106	42.9%	24.2%
Chase Equity Associates, L.P. (4)	1,666,650	18.3	10.4
NationsBanc Investment Corporation (4)	970,150	10.7	6.0
William J. Nutt (5)	540,795	5.9	3.4
Hartford Accident and Indemnity Company	373,150	4.1	2.3
Sean M. Healey (6)	248,519	2.7	1.5
Levon Chertavian, Jr. (7)	85,833	1.0	*
Nathaniel Dalton (8)	55,000	*	*
Brian J. Girvan (9)	50,000	*	*
Seth W. Brennan (10)	21,667	*	*
Jeffrey S. Murphy (11)	13,567	*	*
Richard E. Floor	41,492	*	*
Roger B. Kafker (12)	5,972	*	*
P. Andrews McLane (13)	5,972	*	*
John M. B. O'Connor (14)	1,666,650	18.3	10.4
W. W. Walker, Jr.	--	--	--
All directors and executive officers as a group (12 persons) (15)	2,735,467	30.0%	17.0%

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* Less than 1%

(1) The address of the TA Associates Group and Messrs. Kafker and McLane is c/o TA Associates, Inc., High Street Tower, Suite 2500, 125 High Street, Boston, Massachusetts 02110-2720. The address of Chase Equity Associates, L.P. and Mr. O'Connor is 380 Madison Avenue, 12th Floor, New York, New York 10017. The address of NationsBanc Investment Corporation and Mr. Walker is c/o NationsBank Capital Investors, NationsBank Corporate Center, 10th Floor, 100 North Tryon Street, Charlotte, North Carolina 28255. The address of Hartford Accident and Indemnity Company is 200 Hopmeadow Street, P.O. Box 2999, Simsbury, Connecticut 06104. The address of Mr. Floor is c/o Goodwin, Procter & Hoar LLP, Exchange Place, Boston, Massachusetts 02109. The address of all other listed stockholders is c/o Affiliated Managers Group, Inc., Two International Place, 23rd Floor, Boston, Massachusetts 02110.

(2) In computing the number of shares of Common Stock beneficially owned by a person, shares of Common Stock subject to options and warrants held by that person that are currently exercisable or that become exercisable within 60 days of October 15, 1997 are deemed outstanding. For purposes of computing the percentage of outstanding shares of Common Stock beneficially owned by such person, such shares of stock subject to options or warrants that are currently exercisable or that become exercisable within 60 days are deemed to be outstanding for such person but are not deemed to be outstanding for purposes of computing the ownership percentage of any other person. As of October 15, 1997 a total of 9,116,783

shares of Common Stock were either outstanding or subject to options, warrants or other convertible securities that are exercisable or that will become exercisable within 60 days.

(3) Includes (i) 2,596,756 shares of Common Stock owned by Advent VII L.P., (ii) 533,956 shares of Common Stock owned by Advent Atlantic and Pacific II L.P., (iii) 192,525 shares of Common Stock owned by Advent Industrial II L.P., (iv) 259,691 shares of Common Stock owned by Advent New York L.P. and (v) 42,841 shares of Common Stock owned by TA Venture Investors Limited Partnership. The foregoing partnerships are part of an affiliated group of investment partnerships referred to, collectively, as the TA Associates Group. The general partner of Advent VII L.P. is TA Associates VII L.P. The general partner of each of Advent Industrial II L.P. and Advent New York L.P. is TA Associates VI L.P. The general partner of Advent Atlantic and Pacific II L.P. is TA Associates AAP II Partners L.P. The general partner of each of TA Associates VII L.P., TA Associates VI L.P. and TA Associates AAP II Partners L.P. is TA Associates, Inc. In such capacity, TA Associates, Inc. exercises sole voting and investment power with respect to all the shares of Common Stock held of record by the named investment partnerships, with the exception of those shares held by TA Venture Investors Limited Partnership; individually no stockholder, director or officer of TA Associates, Inc. is deemed to have or share such voting or investment power. Principals and employees of TA Associates, Inc. (including Messrs. Kafker and McLane, directors of the Company) comprise the general partners of TA Venture Investors Limited Partnership. In such capacity, Messrs. Kafker and McLane may be deemed to share voting and investment power with respect to the 42,841 shares of Common Stock held of record by TA Venture Investors Limited Partnership. Messrs. Kafker and McLane disclaim beneficial ownership of such shares, except in the case of Mr. Kafker to the extent of 5,972 shares as to which he holds a pecuniary interest and in the case of Mr. McLane to the extent of 5,972 shares as to which he holds a pecuniary interest. Also includes (i) 201,964 shares of Common Stock held by Chestnut III Limited Partnership and (ii) 67,373 shares of Common Stock held by Chestnut Capital International III L.P. TA Associates, Inc. has voting and investment power with respect to these shares pursuant to a proxy.

(4) The 1,666,650 shares beneficially owned by Chase Equity Associates, L.P. and the 970,150 shares beneficially owned by NationsBanc Investment Corporation are shares of non-voting Class B Common Stock. See "Description of Capital Stock -- Class B Common Stock".

(5) Includes (i) 381,986 shares of restricted Common Stock, 354,701 of which have vested, 12,500 of which will vest in annual installments through March 1999, and 14,785 of which will vest on January 1, 1998, and (ii) 8,333 shares of Common Stock subject to options exercisable within 60 days. Excludes (i) 196,667 shares subject to unvested options and (ii) 200,000 shares held by irrevocable trusts for the benefit of members of Mr. Nutt's immediate family of which Mr. Nutt is not a trustee, as to which shares Mr. Nutt disclaims beneficial ownership.

(6) Includes (i) 235,000 shares of restricted Common Stock, 217,500 of which have vested and 17,500 of which will vest in annual installments through March 1999, and (ii) 8,333 shares of Common Stock subject to options exercisable within 60 days. Excludes 186,667 shares subject to unvested options.

(7) Includes (i) 75,000 shares of restricted Common Stock, 50,000 of which have vested, 12,500 of which will vest in annual installments through March 1999, and 12,500 of which will vest in August 1998, and (ii) 3,333 shares of Common Stock subject to options exercisable within 60 days. Excludes 36,667 shares subject to unvested options.

(8) Includes (i) 50,000 shares of restricted Common Stock, 25,000 of which have vested and 25,000 of which will vest in equal annual installments through May 1999, and (ii) 5,000 shares of Common Stock subject to options exercisable within 60 days. Excludes 67,500 shares subject to unvested options.

(9) Includes 50,000 shares of restricted Common Stock, 12,500 of which have vested and 37,500 of which will vest in equal annual installments through February 2000. Excludes 57,500 shares subject to unvested options.

(10) Includes (i) 17,500 shares of restricted Common Stock, 8,750 of which have vested and 8,750 of which will vest in equal annual installments through March 1999, and (ii) 4,167 shares of Common Stock subject to options exercisable within 60 days. Excludes 58,333 shares subject to unvested options.

(11) Includes (i) 10,000 shares of restricted Common Stock, 5,000 of which have vested and 5,000 of which will vest in equal annual installments through March 1999, and (ii) 1,667 shares of Common Stock subject to options exercisable within 60 days. Excludes 38,333 shares subject to unvested options.

(12) Includes 5,972 shares beneficially owned by Mr. Kafker through TA Venture Investors Limited Partnership, all of which shares are included in the 3,895,106 shares described in footnote (3) above. Does not include any shares owned by Advent VII L.P., Advent Atlantic and Pacific II L.P., Advent Industrial II L.P., Advent New York L.P., Chestnut III Limited Partnership or Chestnut Capital International III L.P., of which shares Mr. Kafker disclaims beneficial ownership.

(13) Includes 5,972 shares of Common Stock beneficially owned by Mr. McLane through TA Venture Investors Limited Partnership, all of which shares are included in the 3,895,106 shares described in footnote (3) above. Does not include any shares owned by Advent VII L.P., Advent Atlantic and Pacific II L.P., Advent Industrial II L.P., Advent New York L.P., Chestnut III Limited Partnership or Chestnut Capital International III L.P., of which shares Mr. McLane disclaims beneficial ownership.

(14) Includes 1,666,650 shares of Class B Common Stock beneficially owned by Chase Equity Associates, L.P., of which Mr. O'Connor disclaims beneficial ownership.

(15) Includes 819,486 shares of Common Stock held by executive officers and directors which are subject to vesting and repurchase in certain circumstances.

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED AND OUTSTANDING CAPITAL STOCK

Immediately upon consummation of the Offerings, the Company will file and cause to become effective an Amended and Restated Certificate of Incorporation (the "Certificate"), which has previously been adopted by the Board of Directors and approved by the stockholders of the Company. Pursuant to the Certificate, the Company is authorized to issue (i) 40,000,000 shares of Common Stock, (ii) 3,000,000 shares of Class B Common Stock, and (iii) 5,000,000 shares of undesignated preferred stock, par value $.01 per share (the "Preferred Stock"). Immediately upon consummation of the Offerings, approximately 13,449,150 shares of Common Stock will be issued and outstanding, 2,636,800 shares of Class B Common Stock will be issued and outstanding and no shares of Preferred Stock will be issued and outstanding. The following summary description of the capital stock of the Company is qualified in its entirety by reference to the Certificate and the Company's Amended and Restated By-laws (the "By-laws"), copies of which are filed as exhibits to the Registration Statement of which this Prospectus is a part.

COMMON STOCK

Holders of Common Stock are entitled to one vote per share on all matters to be voted on by stockholders. Holders of Common Stock are not entitled to cumulative voting rights. Therefore, the holders of a majority of the shares voted in the election of directors can elect all of the directors then standing for election, subject to the rights of the holders of Preferred Stock, if and when issued. The holders of Common Stock have no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to the Common Stock.

The holders of Common Stock and Class B Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the Board of Directors from funds legally available therefor, with each share of Common Stock and each share of Class B Common Stock sharing equally in such dividends. If dividends are declared which are payable in shares of Common Stock or shares of Class B Common Stock, dividends shall be declared which are payable at the same rate in both classes of stock and the dividends payable in shares of Common Stock shall be payable to the holders of shares of Common Stock, and the dividends payable in shares of Class B Common Stock shall be payable to the holders of shares of Class B Common Stock. See "Dividend Policy". The possible issuance of Preferred Stock with a preference over Common Stock and Class B Common Stock as to dividends could impact the dividend rights of holders of Common Stock and Class B Common Stock. All outstanding shares of Common Stock and Class B Common Stock, including the shares offered by this Prospectus, are, or will be upon consummation of the Offerings, fully paid and non-assessable.

The By-laws provide, subject to the rights of the holders of the Preferred Stock, if and when issued, that the number of directors shall be fixed by the Board of Directors. Subject to any rights of the holders of Preferred Stock, if and when issued, to elect directors, and to remove any director whom the holders of any such Preferred Stock had the right to elect, any director of the Company may be removed from office only with cause and by the affirmative vote of at least two-thirds of the total votes which would be eligible to be cast by stockholders in the election of such director.

CLASS B COMMON STOCK

Holders of Class B Common Stock generally have the same rights and privileges as holders of Common Stock, except that holders of Class B Common Stock do not have any voting rights other than those which may be provided by applicable law. Each share of Class B Common Stock is convertible, at the option of the holder thereof, into one share of Common Stock (subject to adjustment to reflect any dividend in Common Stock or Class B Common Stock) if such share of Class B Common Stock is to be distributed, disposed of or sold by the holder thereof in connection with any sale; provided, that such conversion is not inconsistent with any regulation, rule or other requirement of any governmental authority applicable to such holder at such time.

UNDESIGNATED PREFERRED STOCK

The Board of Directors of the Company is authorized, without further action of the stockholders of the Company, to issue up to 5,000,000 shares of Preferred Stock in classes or series and to fix the designations, powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereon as set forth in the Certificate. Any such Preferred Stock issued by the Company may rank prior to the Common Stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of Common Stock. The purpose of authorizing the Board of Directors to issue Preferred Stock is, in part, to eliminate delays associated with a stockholder vote on specific issuances. The issuance of Preferred Stock could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring or seeking to acquire, a significant portion of the outstanding stock of the Company.

CERTAIN PROVISIONS OF THE COMPANY'S CERTIFICATE OF INCORPORATION AND BY-LAWS

GENERAL

A number of provisions of the Company's Certificate and By-laws concern matters of corporate governance and the rights of stockholders. Certain of these provisions, including those which grant the Board of Directors the ability to issue shares of Preferred Stock and to set the voting rights, preferences and other terms thereof, may be deemed to have an anti-takeover effect and may discourage takeover attempts not first approved by the Board of Directors (including takeovers which certain stockholders may deem to be in their best interests). To the extent takeover attempts are discouraged, temporary fluctuations in the market price of the Common Stock, which may result from actual or rumored takeover attempts, may be inhibited. Certain of these provisions also could delay or frustrate the removal of incumbent directors or the assumption of control by stockholders, even if such removal or assumption would be beneficial to stockholders of the Company. These provisions also could discourage or make more difficult a merger, tender offer or proxy contest, even if they could be favorable to the interests of stockholders, and could potentially depress the market price of the Common Stock. The Board of Directors of the Company believes that these provisions are appropriate to protect the interests of the Company and all of its stockholders. The Board of Directors has no present plans to adopt any other measures or devices which may be deemed to have an "anti-takeover effect".

MEETINGS OF STOCKHOLDERS

The By-laws provide that a special meeting of stockholders may be called only by the Board of Directors unless otherwise required by law. The By-laws provide that only those matters set forth in the notice of the special meeting may be considered or acted upon at that special meeting, unless otherwise provided by law. In addition, the By-laws set forth certain advance notice and informational requirements and time limitations on any director nomination or any new business which a stockholder wishes to propose for consideration at an annual meeting of stockholders.

NO STOCKHOLDER ACTION BY WRITTEN CONSENT

The Certificate provides that any action required or permitted to be taken by the stockholders of the Company at an annual or special meeting of stockholders must be effected at a duly called meeting and may not be taken or effected by a written consent of stockholders in lieu thereof.

INDEMNIFICATION AND LIMITATION OF LIABILITY

The By-laws of the Company provide that directors and officers of the Company shall be, and in the discretion of the Board of Directors non-officer employees may be, indemnified by the Company to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended, against all expenses and liabilities reasonably incurred in connection with service for or on behalf of the Company. The By-laws of the Company also provide that the right of directors and officers to indemnification shall be a contract right and shall not be exclusive of any other right now possessed or hereafter acquired under any by-law, agreement, vote of stockholders or otherwise. The Certificate contains a provision permitted by Delaware law that generally eliminates the personal liability of directors for monetary damages for breaches of their fiduciary duty, including breaches involving negligence or gross negligence in business combinations, unless the director has breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or a knowing violation of law, paid a dividend or approved a stock repurchase in violation of the Delaware General Corporation Law or obtained an improper personal benefit. This provision does not alter a director's liability under the federal securities laws. In addition, this provision does not affect the availability of equitable remedies, such as an injunction or rescission, for breach of fiduciary duty.

AMENDMENT OF THE CERTIFICATE

The Certificate provides that an amendment thereof must first be approved by a majority of the Board of Directors and (with certain exceptions) thereafter must be approved by the holders of a majority of the total votes eligible to be cast by holders of Common Stock with respect to such amendment or repeal.

AMENDMENT OF BY-LAWS

The Certificate provides that the By-laws may be amended or repealed by the Board of Directors or by the stockholders. Such action by the Board of Directors requires the affirmative vote of a majority of the directors then in office. Such action by the stockholders requires the affirmative vote of the holders of at least two-thirds of the total votes eligible to be cast by holders of Common Stock with respect to such amendment or repeal at an annual meeting of stockholders or a special meeting called for such purpose, unless the Board of Directors recommends that the stockholders approve such amendment or repeal at such meeting, in which case such amendment or repeal shall only require the affirmative vote of a majority of the total votes eligible to be cast by holders of Common Stock with respect to such amendment or repeal.

STATUTORY BUSINESS COMBINATION PROVISION

Upon completion of the Offerings, the Company will be subject to the provisions of Section 203 of the Delaware General Corporation Law ("Section 203"). Section 203 provides, with certain exceptions, that a Delaware corporation may not engage in any of a broad range of business combinations with a person, or an affiliate or associate of such person, who is an "interested stockholder" for a period of three years from the date that such person became an interested stockholder unless: (i) the transaction resulting in the person becoming an interested stockholder, or the business combination, is approved by the board of directors of the corporation before the person becomes an interested stockholder; (ii) the interested stockholder acquired 85% or more of the outstanding voting stock of the corporation in the same transaction that makes it an interested stockholder (excluding shares owned by persons who are both officers and directors of the corporation, and shares held by certain employee stock ownership plans); or (iii) on or after the date the person becomes an interested stockholder, the business combination is approved by the corporation's board of directors and by the holders of at least 66 2/3% of the corporation's outstanding voting stock at an annual or special meeting, excluding shares owned by the interested stockholder. Under Section 203, an "interested stockholder" is defined (with certain limited exceptions) as any person that is (A) the owner of 15% or more of the outstanding voting stock of the corporation or (B) an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder.

A corporation may, at its option, exclude itself from the coverage of Section 203 by amending its certificate of incorporation or by-laws by action of its stockholders to exempt itself from coverage, provided that, with certain limited exceptions, such by-law or charter amendment shall not become effective until 12 months after the date it is adopted. Neither the Certificate nor the By-laws contains any such exclusion.

REGISTRATION RIGHTS

Pursuant to the terms of the Stockholders' Agreement, holders of 8,076,696 shares of Common Stock, including TA Associates, NationsBank, The Hartford, Chase Equity Associates and certain members of senior management of the Company, have the right in certain circumstances to require the Company to register shares of Common Stock under the Securities Act for resale to the public. The Stockholders' Agreement also provides that holders of 8,076,696 shares of Common Stock have the right to include their shares of Common Stock in a registration statement filed by the Company. See "Certain Transactions". The holders of an additional 696,854 shares of Common Stock also have the right to include their shares of Common Stock in a registration statement filed by the Company. In addition, a number of managers of the Affiliates have registration rights under the transaction documents pursuant to which AMG made its investment in each such Affiliate. These registration rights relate to shares of Common Stock which such managers acquire upon the exchange of certain of their interests in the respective Affiliates. See "Business -- AMG Structure and Relationship with Affiliates -- Capitalization of Retained Interest". Each of such manager's rights are subject to the right of an underwriter participating in the offering to limit the number of shares included in the registration. All expenses relating to the filing of such registration statements, excluding underwriting discounts and selling expenses, will be paid by the Company. The foregoing rights will be waived in connection with the Offerings but will remain in effect following the Offerings.

TRANSFER AGENT AND REGISTRAR

The Company has selected ChaseMellon Shareholder Services L.L.C. as the transfer agent and registrar for the Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offerings, the Company will have a total of 16,085,950 shares of Common Stock outstanding. Of these shares, the 7,000,000 shares sold in the Offerings will be freely transferable without restriction or registration under the Securities Act, except for any shares held by "affiliates" of the Company, as that term is used under the Securities Act and the regulations promulgated thereunder, and except to the extent such shares are subject to the agreements with the Underwriters described below. The remaining 9,085,950 shares, held by officers, directors, employees and other stockholders of the Company and its Affiliates, were sold by the Company in private transactions in reliance on exemptions from the registration requirements of the Securities Act and will be "restricted securities" within the meaning of Rule 144 ("Rule 144") adopted under the Securities Act (the "Restricted Shares"). Of these Restricted Shares, 8,773,550 shares of Common Stock will be subject to the registration rights of certain stockholders. See "Description of Capital Stock - -- Registration Rights".

In general, under Rule 144 as currently in effect, any person (or persons whose shares are aggregated), including an affiliate of the Company, who has beneficially owned Restricted Shares for at least one year (as computed under Rule 144) is entitled to sell within any three-month period a number of shares that does not exceed the greater of (i) 1% of the number of shares of Common Stock then outstanding (approximately 160,859 shares after giving effect to the Offerings), or (ii) the average weekly trading volume in the Common Stock during the four calendar weeks immediately preceding the filing of a Form 144 with respect to such sale. Sales under Rule 144 are also subject to certain provisions relating to the manner of sale and notice requirements, and to the availability of current public information about the Company. In addition, under Rule 144(k), a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of the Company at any time during the 90 days immediately preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years (as computed under Rule 144), will be entitled to sell such shares under Rule 144(k) without regard to the volume requirements described above. Rule 144 also provides that affiliates that are selling shares of Common Stock that are not Restricted Shares must nonetheless comply with the provisions of Rule 144 other than the holding period requirement.

Beginning 180 days after the date of this Prospectus, upon the expiration of certain agreements entered into between the Underwriters and certain of the Company's officers, directors, stockholders and holders of outstanding options or warrants (the "Lock-up Agreements"), the Company believes that 75,000 of the Restricted Shares will be eligible for sale in the public market pursuant to Rule 144(k) and 6,646,571 additional Restricted Shares will be eligible for sale in the public market subject to the provisions of Rule 144 referred to above. Of the remaining 2,364,379 Restricted Shares, the Company estimates that 2,298,754 shares will become eligible for sale pursuant to Rule 144 at various dates through November 1998. The remaining 65,625 Restricted Shares will become eligible for sale in the public market under Rule 144 (including paragraph (k) thereof) at various times as they become vested.

Under the 1995 Plan and the 1997 Stock Plan, there are an aggregate of 2,175,000 shares of Common Stock reserved for issuance. As of the Effective Date, options to purchase 682,500 shares have been granted pursuant to the 1995 Plan and the 1997 Stock Plan, and all of such options remain outstanding. Beginning 180 days after the date of this Prospectus, upon the expiration of the Lock-up Agreements, 43,681 of these option shares, if exercised, will be eligible for sale in the public market in accordance with the requirements of Rule 701, to the extent the options are exercised. Rule 701 promulgated under the Securities Act provides that shares of Common Stock acquired pursuant to the exercise of options outstanding prior to the Offerings or the grant of Common Stock prior to the Offerings pursuant to written compensation plans or contracts may be resold by persons other than affiliates beginning 90 days after the date of the Offerings, subject only to the manner of sale provisions of Rule 144, and by affiliates, beginning 90 days after the date of the Offerings, subject to all provisions of Rule 144 except its one-year minimum holding period requirement. Of the option shares of Common Stock described above, all of such shares of Common Stock are held by affiliates of the Company.

As soon as practicable following the Offerings, the Company intends to file one or more registration statements on Form S-8 under the Securities Act to register all shares of Common Stock reserved for issuance under the 1995 Plan and the 1997 Stock Plan. If the Company files one or more registration statements on Form S-8, non-affiliate holders of shares registered under the Form S-8 that are issuable upon exercise of stock options granted pursuant to the 1995 Plan and the 1997 Stock Plan will be eligible to sell such shares in the public market without regard to the restrictions of Rule 144, subject to the Lock-Up Agreements, as applicable. Affiliates will continue to be subject to certain limitations on sale, including the volume restrictions described above, as well as the Lock-up Agreements.

The Lock-up Agreements provide that the holders of all of the outstanding shares of Common Stock prior to the Offerings will not, without the prior written consent of the Underwriters, offer, sell, pledge, contract to sell, grant any option to purchase or otherwise dispose of any shares of Common Stock beneficially owned or otherwise held or any securities convertible into, derivative of or exercisable or exchangeable for such Common Stock during the 180-day period commencing on the Effective Date. In addition, the Company has also agreed that the Company will not, without the prior written consent of the Underwriters, offer, sell, pledge, contract to sell, grant any option to purchase or otherwise dispose of any Common Stock (other than pursuant to employee stock option or purchase plans existing, or on the conversion or exchange of convertible or exchangeable securities or the exercise of warrants outstanding, on the date of this Prospectus) or any securities of the Company which are substantially similar to the shares of Common Stock, or which are convertible into or exercisable or exchangeable for Common Stock or any such other securities during the 180-day period commencing on the date of this Prospectus, except for (i) shares of Common Stock offered in connection with the Offerings and (ii) shares of Common Stock or such other securities issued as consideration in future investments, provided that such securities are made subject to such 180-day restriction.

Prior to the Offerings, there has been no public market for the Company's Common Stock. No prediction can be made as to the effect, if any, that sales of shares of Common Stock into the public market or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial amounts of Common Stock into the public market after the restrictions described above lapse could adversely affect the prevailing market price and the ability of the Company to obtain equity capital in the future. See "Risk Factors -- Shares Eligible for Future Sale".

VALIDITY OF SECURITIES

The validity of the shares of Common Stock offered hereby will be passed upon for the Company by Goodwin, Procter & Hoar LLP, Boston, Massachusetts, and for the Underwriters by Sullivan & Cromwell, New York, New York. Partners (or, in the case of partners which are professional corporations, the sole stockholders of such corporations) of Goodwin, Procter & Hoar LLP own an aggregate of 43,392 shares of Common Stock.

EXPERTS

The financial statements included in this Prospectus listed on page F-1 for Affiliated Managers Group, Inc., Gofen and Glossberg, Inc., The Burridge Group Inc., GeoCapital Corporation and Tweedy, Browne Company L.P. have been included herein in reliance on the reports of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

The combined statements of income of First Quadrant Institutional and First Quadrant Limited for the period from January 1, 1996 to March 25, 1996 and for the year ended December 31, 1995 have been included herein and in the registration statement in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 (including all amendments thereto, the "Registration Statement") under the Securities Act with respect to the Common Stock offered by this Prospectus. As permitted by the rules and regulations of the Commission, this Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any agreement or other document referred to are not necessarily complete. With respect to each such agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in all respects by such reference.

The Registration Statement, including the exhibits and schedules thereto, may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, DC 20549 and at the following regional offices of the Commission: Seven World Trade Center, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials may be obtained from the public referrals section of the Commission at its Washington address upon payment of the prescribed fees. The Company is required to file electronic versions of these documents with the Commission through the Commission's Electronic Data Gathering, Analysis and Retrieval ("EDGAR") System. The electronically filed documents, which also include reports, proxy statements and other information, are maintained by the Commission and may be found at the World Wide Web site http://www.sec.gov. The Common Stock has been approved for listing, subject to notice of issuance, on the NYSE. Certain reports, proxy statements and other information of listed companies can be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

The Company intends to furnish to its stockholders annual reports containing audited financial statements for each fiscal year.

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AFFILIATED MANAGERS GROUP, INC. AND AFFILIATES
INDEX TO FINANCIAL STATEMENTS

AFFILIATED MANAGERS GROUP, INC.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the unaudited pro forma consolidated statements of operations for the Company for the year ended December 31, 1996 and the six months ended June 30, 1997, and the unaudited pro forma consolidated balance sheet of the Company as of June 30, 1997, after giving effect to: (i) the investments made during the year ended December 31, 1996 and the six months ended June 30, 1997 (the "Prior Investments"); (ii) the recent investments in Tweedy, Browne and GeoCapital, including the issuance of $9.6 million of Class D Convertible Preferred Stock in connection with the investment in GeoCapital (the "Subsequent Investments"), which occurred subsequent to June 30, 1997; (iii) the Company's Recent Financing (as defined below), which was entered into in connection with the Subsequent Investments; (iv) a 50-for-1 stock split of the Common Stock effected in the form of a stock dividend as of the date of this Prospectus, 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 shares of Common Stock upon consummation of the Offerings and the issuance of 86,023 shares of Common Stock to shareholders of an Affiliate (the "Recapitalization"); and (v) the sale of Common Stock offered in the Offerings and the application of the net proceeds therefrom. The unaudited pro forma consolidated statement of operations for the year ended December 31, 1996 and the six months ended June 30, 1997 assume that each of the transactions occurred on January 1, 1996. The unaudited pro forma consolidated balance sheet assumes that each of these transactions occurred on June 30, 1997.

The pro forma adjustments are based on available information and upon certain assumptions that management believes are reasonable under the circumstances. The Prior Investments and the Subsequent Investments are accounted for under the purchase method of accounting. Under this method of accounting, the purchase price has been allocated to the fair value of net assets acquired, primarily acquired client relationships, and any remaining excess purchase price over net assets acquired is categorized as goodwill. See "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Prior Investments were primarily funded with cash received from borrowings under the Company's revolving credit facility and from issuances of the Company's Convertible Preferred Stock. The Subsequent Investments have been funded by: (i) cash received from borrowings ("Senior Debt") under the Credit Facility, (ii) cash received from the issuance of $60 million face amount of subordinated debt (the "Subordinated Debt"), (iii) cash received from the issuance of $30 million of Class C Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock (clauses (i) - (iii) collectively, the "Recent Financing") and (iv) the issuance of 10,667 shares of Class D Convertible Preferred Stock valued at $9.6 million as partial consideration for the investment in GeoCapital (which is reflected as part of the Subsequent Investments). See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

The unaudited pro forma consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Company (including the unaudited information as of and for the six months ended June 30, 1997) and the related notes thereto included elsewhere in this Prospectus. The unaudited pro forma consolidated financial information is based on the historical data with respect to the Company and the acquired businesses comprising the Prior Investments and the Subsequent Investments, and is not necessarily indicative of the results that might have occurred had such transactions actually taken place at the beginning of the period specified and is not intended to be a projection of future results.

AFFILIATED MANAGERS GROUP, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
JUNE 30, 1997
(IN THOUSANDS)

	HISTORICAL (A)	SUBSEQUENT INVESTMENTS (B)	FINANCING ADJUSTMENTS	PRO FORMA COMBINED	OFFERING ADJUSTMENTS	PRO FORMA AS ADJUSTED JUNE 30, 1997
ASSETS						
Cash and cash equivalents...	$ 13,297	$ 275	$ 2,400(D)	$ 15,972	$ --	$ 15,972
Investment advisory fees receivable................	12,158	4,550	--	16,708	--	16,708
Prepaid expenses and other current assets............	572	360	75(D)	1,007	--	1,007
Total current assets..............	26,027	5,185	2,475	33,687	--	33,687
Fixed assets, net...........	3,856	1,009	--	4,865	--	4,865
Secured demand notes receivable................	--	800	--	800	--	800
Equity investment in Affiliate.................	1,170	--	--	1,170	--	1,170
Acquired client relationships, net of accumulated amortization..............	35,785	107,931(C)	--	143,716	740(E)	144,456
Goodwill, net of accumulated amortization..............	43,034	211,338(C)	--	254,372	1,109(E)	255,481
Receivable from related parties...................	--	1,200	--	1,200	--	1,200
Other assets................	3,897	217	8,900(D)	13,014	(4,788)(F)	8,226
Total assets..........	$113,769	$ 327,680	$11,375	$452,824	$ (2,939)	$ 449,885
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable and accrued liabilities...............	$ 13,108	$ 2,280	--	$ 15,388	$ --	$ 15,388
Senior debt -- current portion...................	--	5,500	--	5,500	(4,290)(G)	1,210
Total current liabilities.........	13,108	7,780	--	20,888	(4,290)	16,598
Senior debt.................	48,900	219,500	$11,375(D)	279,775	(74,710)(G)	205,065
Other long-term liabilities...............	4,027	--	--	4,027	--	4,027
Subordinated debt...........	--	59,600	--	59,600	(58,800)(G)(F)	800
Total liabilities.....	66,035	286,880	11,375	364,290	(137,800)	226,490
Minority interest...........	8,545	--	--	8,545	--	8,545
Stockholders' equity:						
Preferred stock...........	43,976	40,800	--	84,776	(84,776)(G)	
Common stock..............	15	--	--	15	225,625(G)(E)	225,640
Foreign translation adjustment..............	6	--	--	6	--	6
Accumulated deficit.......	(4,808)	--	--	(4,808)	(5,988)(F)	(10,796)
Total stockholders' equity..............	39,189	40,800	--	79,989	134,861	214,850
Total liabilities and stockholders' equity..............	$113,769	$ 327,680	$11,375	$452,824	$ (2,939)	$ 449,885

The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1996

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRIOR INVESTMENTS (H)	SUBSEQUENT INVESTMENTS GEOCAPITAL (I)	SUBSEQUENT INVESTMENTS TWEEDY, BROWNE (I)	ADJUSTMENTS FOR INVESTMENTS	FINANCING ADJUSTMENTS	PRO FORMA	OFFERING ADJUSTMENTS	PRO FORMA AS ADJUSTED
Revenues.....	$ 50,384	$17,793	$ 12,204	$36,942	$ 3,676(J)	$ --	$120,999	$ --	$120,999
Operating expenses:									
Compensation and related expenses...	21,113	12,194	9,300	5,402	(9,917)(J)	--	38,092	--	38,092
Amortization of intangible assets....	8,053	--	--	--	11,277(K)	--	19,330	200(N)	19,530
Depreciation and other amortization...	932	280	28	328	--	1,078(M)	2,646	(370)(O)	2,276
Other operating expenses..	13,115	4,741	2,512	5,623	--		25,991	--	25,991
Total operating expenses...	43,213	17,215	11,840	11,353	1,360	1,078	86,059	(170)	85,889
Operating income (loss)......	7,171	578	364	25,589	2,316	(1,078)	34,940	170	35,110
Non-operating (income) and expenses:									
Investment and other income....	(337)	(88)	(5)	(1)	--	--	(431)	--	(431)
Interest expense...	2,747	--	--	48	--	28,499(M)	31,294	(15,153)(O)	16,141
	2,410	(88)	(5)	47	--	28,499	30,863	(15,153)	15,710
Income (loss) before minority interest and income taxes.......	4,761	666	369	25,542	2,316	(29,577)	4,077	15,323	19,400
Minority interest....	(5,969)	--	--	--	(11,570)(J)		(17,539)	--	(17,539)
Income (loss) before income taxes.......	(1,208)	666	369	25,542	(9,254)	(29,577)	(13,462)	15,323	1,861
Income taxes.......	181	345	259	938	(604)(L)		1,119	(337)(P)	782
Net income (loss)......	$ (1,389)	$ 321	$ 110	$24,604	$ (8,650)	$(29,577)	$(14,581)	$ 15,660	$ 1,079
Net income (loss) per share.......	$ (0.21)(R)						$ (1.62 (Q)		$ 0.07 (Q)
Number of shares used in net income (loss) per share.......	6,631						9,002 (Q)		16,002 (Q)

The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRIOR INVESTMENTS (H)	SUBSEQUENT INVESTMENTS GEOCAPITAL (I)	SUBSEQUENT INVESTMENTS TWEEDY, BROWNE (I)	ADJUSTMENTS FOR INVESTMENTS	FINANCING ADJUSTMENTS	PRO FORMA	OFFERING ADJUSTMENTS	PRO FORMA AS ADJUSTED
Revenues......	$ 32,870	$ 2,972	$5,456	$22,051	$ 2,213(J)	$ --	$65,562	$ --	$65,562
Operating expenses:									
Compensation and related expenses...	11,222	2,972	3,613	2,863	(1,363)(J)	--	19,307	--	19,307
Amortization of intangible assets.....	2,043	--	--	--	5,334(K)	--	7,377	100(N)	7,477
Depreciation and other amortization...	671	--	18	172	--	529(M)	1,390	(186)(O)	1,204
Other operating expenses...	13,232	--	708	2,921	--	--	16,861		16,861
Total operating expenses...	27,168	2,972	4,339	5,956	3,971	529	44,935	(86)	44,849
Operating income (loss).......	5,702	--	1,117	16,095	(1,758)	(529)	20,627	86	20,713
Non-operating (income) and expenses:									
Investment and other income.....	(438)	--	(4)	--	--	--	(442)	--	(442)
Interest expense....	1,707	--	--	24	--	13,916(M)	15,647	(7,577)(O)	8,070
	1,269	--	(4)	24	--	13,916	15,205	(7,577)	7,628
Income (loss) before minority interest and income taxes........	4,433	--	1,121	16,071	(1,758)	(14,445)	5,422	7,663	13,085
Minority interest.....	(3,632)	--	--	--	(5,713)(J)	--	(9,345)	--	(9,345)
Income (loss) before income taxes........	801	--	1,121	16,071	(7,471)	(14,445)	(3,923)	7,663	3,740
Income taxes........	95	--	4	599	(4)(L)	--	694	877(P)	1,571
Net income (loss).......	$ 706	$ --	$1,117	$15,472	$(7,467)	$ (14,445)	$(4,617)	6,786	2,169
Net income (loss) per share........	$ 0.10						$ (0.51)(Q)		$ 0.13(Q)
Number of shares used in net income (loss) per share........	6,852						9,139(Q)		16,139(Q)

The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

PRO FORMA CONSOLIDATED BALANCE SHEET

The accompanying pro forma consolidated balance sheet as of June 30, 1997 gives effect to the Subsequent Investments and the adjustments as a result of the Offerings. The estimated fair market values reflected below are based on the assumption that the Subsequent Investments had occurred on June 30, 1997 after giving effect to the new cost basis, including intangible assets, in the net assets acquired and to the minimum amounts of cash, net working capital and net worth contractually required to remain in the businesses acquired. The estimated fair market values reflected below use estimates and make assumptions about purchase price allocation for the Subsequent Investments and are subject to revision but, in management's opinion, such revisions are not expected to be material.

(A) Represents the historical unaudited consolidated condensed balance sheet of the Company at June 30, 1997.

(B) Reflects the Subsequent Investments as if such investments had occurred on June 30, 1997. The consideration paid for the Subsequent Investments, net of cash acquired and including transaction costs, consisted of $314.7 million in cash, and 10,667 shares of Class D Convertible Preferred Stock valued at $9.6 million. In conjunction with each of the Subsequent Investments, certain senior employees have entered into long-term employment and non-competition agreements with the respective Affiliate and the Company.

The estimated fair market value of the assets and liabilities of the Subsequent Investments is as follows:

NET ASSETS ACQUIRED

DESCRIPTION	TWEEDY, BROWNE	GEOCAPITAL	TOTAL
	(IN THOUSANDS)		
Accounts receivable	$ 1,550	$ 3,000	$ 4,550
Other current assets	132	228	360
Fixed assets, net	880	129	1,009
Secured demand note receivables	800	--	800
Acquired client relationships	98,300	9,631	107,931
Goodwill	200,478	10,860	211,338
Receivable from related parties	--	1,200	1,200
Other assets	--	217	217
Accounts payable and accrued liabilities	(1,015)	(1,265)	(2,280)
Subordinated debt	(800)	--	(800)
Total	$300,325	$ 24,000	$324,325

Net assets acquired are as shown net of $275,000 of cash acquired and includes capitalized transaction costs (see note C below).

In determining the carrying value and associated amortization periods of intangible assets, the Company considers the attributes of each of the businesses in which it invests. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 1 -- "Acquired Client Relationships and Goodwill" to the Company's consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The consideration paid for the Subsequent Investments net of cash acquired and including estimated transaction costs was as follows:

CONSIDERATION PAID

DESCRIPTION	TWEEDY, BROWNE	GEOCAPITAL	TOTAL
		(IN THOUSANDS)	
Cash	$300,325	$ 14,400	$314,725
Class D Convertible Preferred Stock	--	9,600	9,600
Total	$300,325	$ 24,000	$324,325

The Company financed the cash portion of the purchase price of the Subsequent Investments as follows (see "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources").

FINANCING FOR CASH CONSIDERATION PAID

DESCRIPTION	TOTAL
	(IN THOUSANDS)
Senior debt	$225,000
Subordinated debt	58,800
Class C Convertible Preferred Stock and warrants	31,200
Cash acquired	(275)
Total	$314,725

(C) The purchase price of the Company's investments have been allocated to acquired client relationships based on the net present value of client relationships existing at the acquisition date. The excess of purchase price for the acquisition of Affiliates over the fair value of the net assets acquired, including acquired client relationships, was classified as goodwill. (See Note (K) to the Unaudited Pro Forma Consolidated Financial Statements and Note 1 - --"Acquired Client Relationships and Goodwill" to the Company's consolidated financial statements.) The purchase price of the Company's investments also includes $600,000 of estimated capitalized transaction costs in connection with the Subsequent Investments.

(D) Includes $8.9 million of estimated capitalized debt issuance costs and $75,000 of prepaid Senior Debt fees borrowed in connection with the Senior Debt and the Subordinated Debt and $2.4 million borrowed for working capital purposes. Does not include $2.6 million under a letter of credit which the Company has caused to be issued and upon which the Company is contingently liable. The $2.6 million contingent liability is canceled, upon the achievement before July 1999 of (i) a Qualified Public Offering (as such term is defined in the Subordinated Debt agreement) having an initial sales price to the public of $22.50 per share, or (ii) a Qualified Public Float (as defined in the Subordinated Debt agreement) of at least $22.50 per share for 20 consecutive trading days. The contingent liability is canceled in part upon the achievement of a Qualified Public Offering at a price above $20.70. Assuming an initial public offering price of $21.50 per share in the Offerings, the Company's remaining contingent liability under this agreement would be $1.3 million plus accrued interest from October 1997.

(E) Reflects the issuance of 86,023 shares of Common Stock issued to shareholders of an Affiliate upon consummation of the Offerings in exchange for an additional purchased interest in the Affiliate. (See Note (N) below.)

AFFILIATED MANAGERS GROUP, INC.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(F) Reflects the amortization of $1.2 million in debt discount in connection with the retired Subordinated Debt, the write-off of $500,000 of capitalized debt issuance costs related to the Company's outstanding Senior Debt, which was retired with the proceeds from the Recent Financing, and the write-off of $4.3 million of capitalized debt issuance costs related to the repayment of Senior Debt and the retirement of Subordinated Debt incurred in connection with the Subsequent Investments with the application of the net proceeds of the Offerings.

(G) Reflects the issuance of 7,000,000 shares of the Company's Common Stock, par value $.01 per share, at an estimated price of $21.50 per share in the Offerings, resulting in a combined net increase of $139.0 million to Common Stock and Additional Paid-In Capital on Common Stock. Gross proceeds to the Company are expected to be $150.5 million and transaction costs, including the underwriting discount, are expected to be $11.5 million. Also reflects the application of the net proceeds of the proposed Offerings to retire $4.3 million of current portion of Senior Debt, $74.7 million of long-term portion of Senior Debt and $60.0 million face amount of Subordinated Debt after amortization of $1.2 million of debt discount.

Also reflects the conversion of the Company's Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock into Common Stock immediately prior to the Offerings. Upon the closing of the Offerings, $84.8 million of Convertible Preferred Stock will be converted at the specified conversion prices into Common Stock which would represent an increase of $80,000 to Common Stock and $84.7 million to Additional Paid-In Capital on Common Stock.

PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS

The accompanying unaudited pro forma consolidated statements of operations for the year ended December 31, 1996 and the six months ended June 30, 1997 are presented as if each of the following transactions and events had occurred on January 1, 1996: (i) the Prior Investments and the Subsequent Investments, (ii) the Recent Financing and (iii) the proposed Offerings and application of proceeds therefrom. The Unaudited Pro Forma Consolidated Statements of Operations reflect the historical operations of each acquired entity, as adjusted to reflect certain pro forma adjustments primarily relating to: (i) increases in revenues from significant investment advisory contracts with managed funds, previously managed directly by certain key employees, which were entered into in connection with the Subsequent Investments, (ii) reductions in expenses from discretionary compensation plans and arrangements to give effect to the contractually agreed upon cash flow distribution obligations of the Affiliate, (iii) amortization of intangible assets arising in connection with the acquisitions, (iv) interest expense related to debt incurred to finance such acquisitions and (v) tax effects of the above.

(H) Reflects the combined historical results of the Prior Investments beginning January 1, 1996 and ending on the date of investment.

(I) Reflects the historical results of operations of the Subsequent Investments as if such investments occurred on January 1, 1996.

(J) Reflects the pro forma increase in revenues from significant investment advisory contracts entered into by the acquired businesses on assets managed directly by certain key employees of the acquired businesses prior to AMG's investment, and the reduction in compensation expense from discretionary compensation plans and arrangements, and increases in minority interest expense to give effect to accrued cash flow distributions as determined under the organizational documents of the businesses comprising the Prior Investments and the Subsequent Investments.

(K) Reflects adjustments for increased amortization expense of the Company's intangible assets for each of the Prior Investments and Subsequent Investments as if they had been acquired on January 1, 1996. The amortization period for intangible assets from each investment is assessed individually, with amortization periods for the Company's investments to date, including the Subsequent Investments occurring after June 30, 1997, ranging from nine to 26 years in the case of acquired client relationships and 15 to 35 years for goodwill. The expected useful lives of acquired client relationships is analyzed separately for each acquired Affiliate and determined based on an analysis of the historical and potential future attrition rates of each Affiliate's existing clients, as well as a consideration of the specific attributes of the business of each Affiliate. In determining the amortization period for goodwill acquired, the Company considers a number of factors for each investment including: the firm's historical and potential future operating performance; the firm's historical and potential future rates of attrition among clients; the stability and longevity of existing client relationships; the firm's recent, as well as long-term, investment performance; the characteristics of the firm's products and investment styles; the stability and depth of the firm's management team and the firm's history and perceived franchise or brand value. (See Note (C) to the Unaudited Pro Forma Consolidated Financial Statements and Note 1 -- "Acquired Client Relationships and Goodwill" to the Company's consolidated financial statements.)

(L) Reflects, upon AMG's investment, the elimination of income taxes based upon the pre-acquisition conversion into a limited partnership or limited liability company form from corporate form.

(M) Reflects the additional interest expense and amortization of debt issuance costs of $28.5 million and $1.1 million, respectively, for the year ended December 31, 1996 and $13.9 million and $529,000, respectively, for the six months ended June 30, 1997, which would have been incurred by the Company assuming (i) the Prior Investments and the Subsequent Investments had occurred on January 1, 1996, (ii) the Recent Financing occurred as of January 1, 1996 and (iii) such Recent Financing amounts and the associated interest rates had remained unchanged for the year ended December 31, 1996 and for the six months ended June 30, 1997. The borrowings made as part of the Recent Financing contain interest rate terms which vary. For each 1/8 of 1% change in interest rates, interest expense related to the Recent Financing after application of the net proceeds from the Offerings, would increase or decrease by $258,000.

(N) Reflects the increased amortization of intangible assets associated with the additional purchased interest in an Affiliate acquired in exchange for Common Stock issued to shareholders of the Affiliate in connection with the Offerings. (See Note (E) above.)

(O) Reflects the elimination of interest expense of $15.1 million for the year ended December 31, 1996 and $7.6 million for the six months ended June 30, 1997 related to the application of the estimated net proceeds of the Offerings to the retirement of $4.3 million current portion of Senior Debt, $74.7 million long-term portion of Senior Debt and $60.0 million face amount of Subordinated Debt (after amortization of $1.2 million of debt discount). Also reflects the reduction of $370,000 and $186,000 for the year ended December 31, 1996 and six months ended June 30, 1997, respectively, in amortization of capitalized issuance costs upon the retirement of debt.

(P) Reflects the provision for federal and state income taxes at an effective statutory rate of 42%.

(Q) Net income (loss) per share is computed on the weighted average number of shares of Common Stock and common equivalent shares for the respective period. Using Securities and Exchange Commission directives for companies contemplating an initial public offering, stock options and restricted stock issued within one year of an initial public offering have been included as outstanding shares using the treasury stock method for all periods presented. In addition, the Company's shares of Convertible Preferred Stock are considered common equivalent shares, since their respective dates of issuance, as they convert to shares of Common Stock immediately prior to the consummation of the Offerings.

Pro forma net income (loss) per share has been calculated using the weighted average shares outstanding calculated as described above after giving effect to the Recapitalization and to issuances related to the investments made subsequent to January 1, 1996, including the Subsequent Investments, from January 1, 1996. All proceeds received from shares sold in the Offerings will be used to retire debt. Pro forma net income (loss) per share as adjusted is computed using the pro forma weighted average shares outstanding plus the shares from the Offerings, all of which will be used to retire debt, as if such shares were issued at the beginning of the periods presented.

(R) Before extraordinary items.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
Affiliated Managers Group, Inc.:

We have audited the accompanying consolidated balance sheets of Affiliated Managers Group, Inc. and Affiliates as of December 31, 1996 and 1995, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. 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 audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 consolidated financial position of Affiliated Managers Group, Inc. and Affiliates as of December 31, 1996 and 1995 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
April 26, 1997, except for
Note 16 for which the

date is October 27, 1997

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	DECEMBER 31, 1995	DECEMBER 31, 1996	JUNE 30, 1997 (UNAUDITED)
ASSETS			
Current assets:			
Cash and cash equivalents	$14,096	$ 6,767	$ 13,297
Investment advisory fees receivable	2,545	15,491	12,158
Other current assets	206	806	572
Total current assets	16,847	23,064	26,027
Fixed assets, net	1,086	2,999	3,856
Equity investment in Affiliate	976	1,032	1,170
Acquired client relationships, net of accumulated amortization of $1,242 in 1995, $2,979 in 1996 and $4,016 in 1997	18,192	30,663	35,785
Goodwill, net of accumulated amortization of $3,706 in 1995, $10,022 in 1996 and $11,028 in 1997	26,293	40,809	43,034
Other assets	1,305	2,768	3,897
Total assets	$64,699	$101,335	$113,769
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 316	$ 396	$ 2,006
Notes payable to related parties	1,212	7,379	--
Accrued liabilities	2,583	15,816	11,102
Total current liabilities	4,111	23,591	13,108
Senior bank debt	18,400	33,400	48,900
Deferred income tax liabilities	216	--	--
Accrued affiliate liability	3,200	3,200	3,200
Notes payable to related party	693	--	--
Other long-term liabilities	--	665	827
Total liabilities	26,620	60,856	66,035
Minority interest	1,212	3,490	8,545
Commitments and contingencies	--	--	--
Stockholders' equity:			
Class A Preferred Stock	20,008	20,008	20,008
Class B Preferred Stock:			
Series B-1 Voting Preferred stock	7,000	9,468	10,968
Series B-2 Non-voting Preferred stock	13,000	13,000	13,000
Common stock	--	--	--
Additional paid-in capital on common stock	1	5	15
Foreign translation adjustment	--	22	6
Accumulated deficit	(3,142)	(5,514)	(4,808)
Total stockholders' equity	36,867	36,989	39,189
Total liabilities and stockholders' equity	$64,699	$101,335	$113,769

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE YEARS ENDED DECEMBER 31,			FOR THE SIX MONTHS ENDED JUNE 30,	
	1994	1995	1996	1996	1997
				(UNAUDITED)	
Revenues	$ 5,374	$ 14,182	$ 50,384	$ 19,495	$ 32,870
Operating expenses:					
Compensation and related expenses	3,591	6,018	21,113	7,945	11,222
Amortization of intangible assets	774	4,174	8,053	1,674	2,043
Depreciation and other amortization	19	133	932	270	671
Selling, general and administrative	743	2,237	10,854	4,866	11,086
Other operating expenses	257	330	2,261	827	2,146
	5,384	12,892	43,213	15,582	27,168
Operating income (loss)	(10)	1,290	7,171	3,913	5,702
Non-operating (income) and expenses:					
Investment and other income	(966)	(265)	(337)	(408)	(438)
Interest expense	158	1,244	2,747	1,311	1,707
	(808)	979	2,410	903	1,269
Income before minority interest, income taxes and extraordinary item	798	311	4,761	3,010	4,433
Minority interest	(305)	(2,541)	(5,969)	(2,305)	(3,632)
Income (loss) before income taxes and extraordinary item	493	(2,230)	(1,208)	705	801
Income taxes (benefit)	699	706	181	(22)	95
Income (loss) before extraordinary item	(206)	(2,936)	(1,389)	727	706
Extraordinary item	--	--	(983)	(983)	--
Net income (loss)	$ (206)	$ (2,936)	$ (2,372)	$ (256)	$ 706
Net income (loss) per share:					
Income (loss) per common and common equivalent share before extraordinary item	$ (0.05)	$ (0.58)	$ (0.21)	$ 0.11	$ 0.10
Extraordinary item	--	--	(0.15)	(0.15)	--
Net income (loss) per common and common equivalent share	$ (0.05)	$ (0.58)	$ (0.36)	$ (0.04)	$ 0.10
Weighted average number of common and common equivalent shares outstanding	4,478,089	5,054,638	6,630,594	6,491,843	6,852,360

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,			FOR THE SIX MONTHS ENDED JUNE 30,	
	1994	1995	1996	1996	1997
				(UNAUDITED)	
Cash flow from operating activities:					
Net income (loss)	$ (206)	$ (2,936)	$ (2,372)	$ (256)	$ 706
Adjustments to reconcile net income (loss) to net cash flow from operating activities:					
Amortization of intangible assets	774	4,174	8,053	1,674	2,043
Equity-based compensation costs	--	--	665	291	162
Extraordinary item	--	--	983	983	--
Minority interest	80	631	2,309	7	2,131
Depreciation and other amortization	19	133	932	270	671
Realized gain	(865)	--	--	--	--
Changes in assets and liabilities:					
(Increase) decrease in investment advisory fees receivable	170	(186)	(8,473)	(2,355)	3,821
(Increase) decrease in other current assets	2,747	(397)	(1,881)	(500)	(422)
Increase (decrease) in accounts payable and accrued expenses	(426)	(268)	6,184	798	(401)
Increase (decrease) in deferred income taxes	(1,475)	141	(215)	--	--
Cash flow from operating activities	818	1,292	6,185	912	8,711
Cash flow used in investing activities:					
Purchase of fixed assets	(87)	(287)	(922)	(626)	(1,024)
Costs of investments, net of cash acquired	(6,477)	(38,031)	(25,646)	(25,514)	(10,867)
Sale of investment	--	--	642	--	--
Distribution received	--	--	275	--	--
Increase (decrease) in other assets	(55)	216	(3,639)	(2,505)	94
Proceeds from sale of business	463	--	--	--	--
Repayment on notes recorded in sale of business	--	321	80	80	--
Cash flow used in investing activities	(6,156)	(37,781)	(29,210)	(28,565)	(11,797)
Cash flow from financing activities:					
Borrowings of senior bank debt	--	28,400	21,000	21,000	17,500
Repayments of senior bank debt	--	(10,000)	(6,000)	(3,000)	(2,000)
Repayments of notes payable	(500)	(962)	(1,212)	(462)	(5,878)
Issuances of equity securities	10,009	20,001	2,484	2,484	10
Repayment of subscription receivable	--	10,000	--	--	--
Repurchase of preferred stock	--	--	(13)	--	--
Debt issuance costs	--	(1,025)	(609)	(579)	--
Cash flow from financing activities	9,509	46,414	15,650	19,443	9,632
Effect of foreign exchange rate changes on cash flow	--	--	46	(62)	(16)
Net increase (decrease) in cash and cash equivalents	4,171	9,925	(7,329)	(8,272)	6,530
Cash and cash equivalents at beginning of year	--	4,171	14,096	14,096	6,767
Cash and cash equivalents at end of year	$ 4,171	$ 14,096	$ 6,767	$ 5,824	$ 13,297
Supplemental disclosure of cash flow information:					
Interest paid	$ 104	$ 1,005	$ 2,905	$ 1,576	$ 1,246
Income taxes paid	192	696	436	481	114
Supplemental disclosure of non-cash investing activities:					
Notes received in sale of business	401	--	--	--	--
Increase in long-term liabilities related to acquisitions	--	3,200	--	--	--
Supplemental disclosure of non-cash financing activities:					
Preferred stock issued in repayment of notes payable	--	--	--	--	1,501

Notes issued in acquisitions..........	3,367	--	6,686	--	--
Equity securities subscribed..........	10,000	--	--	--	--

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)

	PREFERRED SHARES	COMMON SHARES	PREFERRED STOCK	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	FOREIGN TRANSLATION ADJUSTMENTS	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
Balance, January 1, 1994....	--	--	$ --	$ --	$ --	$ --	$ --	$ --
Issuance of common stock....	--	4,550,000	--	--	20,009	--	--	20,009
Subscription receivable.....	--	--	--	--	(10,000)	--	--	(10,000)
Exchange of common stock for preferred stock...........	40,000	(2,000,000)	10,004	--	(10,004)	--	--	--
Net loss....................	--	--	--	--	--	--	(173)	(173)
Balance, December 31, 1994..	40,000	2,550,000	10,004	--	5	--	(173)	9,836
Issuance of common stock....	--	275,000	--	--	--	--	--	--
Payment of subscription receivable................	--	--	--	--	10,000	--	--	10,000
Exchange of common stock for preferred stock...........	40,000	(2,000,000)	10,004	--	(10,004)	--	--	--
Issuance of preferred stock.....................	29,851	--	20,000	--	--	--	--	20,000
Net loss....................	--	--	--	--	--	--	(2,969)	(2,969)
Balance, December 31, 1995..	109,851	825,000	40,008	--	1	--	(3,142)	36,867
Issuance of common stock....	--	162,500	--	--	4	--	--	4
Issuance of preferred stock.....................	3,703	--	2,481	--	--	--	--	2,481
Repurchase of preferred stock.....................	(20)	--	(13)	--	--	--	--	(13)
Net loss....................	--	--	--	--	--	--	(2,372)	(2,372)
Foreign translation adjustment................	--	--	--	--	--	22	--	22
Balance, December 31, 1996..	113,534	987,500	42,476	--	5	22	(5,514)	36,989
Issuance of common stock....	--	50,000	--	--	10	--	--	10
Issuance of preferred stock.....................	1,715	--	1,500	--	--	--	--	1,500
Net income..................	--	--	--	--	--	--	706	706
Foreign translation adjustment................	--	--	--	--	--	(16)	--	(16)
Balance, June 30, 1997 (unaudited)..............	115,249	1,037,500	$43,976	$ --	$ 15	$ 6	$(4,808)	$ 39,189

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Nature of Operations

The principal business activity of Affiliated Managers Group, Inc. ("AMG" or the "Company") is the acquisition of equity interests in investment management firms ("Affiliates"). AMG's Affiliates operate in one industry segment, that of providing investment management services, primarily in the United States and Europe, to mutual funds, partnerships and institutional and individual clients.

Affiliates are either organized as limited partnerships, general partnerships or limited liability companies. AMG has contractual arrangements with each Affiliate whereby a percentage of revenues is allocable to fund Affiliate operating expenses, including compensation, while the remaining portion of revenues (the Owners' Allocation) is allocable to AMG and the other partners or members with a priority to AMG. Affiliate operations are consolidated in these financial statements. The portion of the Owners' Allocation allocated to owners other than AMG is included in minority interest in the statement of operations. Minority interest on the consolidated balance sheets includes undistributed Owners' Allocation and capital owned by owners other than AMG.

Unaudited Interim Financial Statements

The unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments necessary for a fair presentation of interim results of operations (consisting only of normal recurring accruals and adjustments) have been made to the interim financial statements. Results of operations for interim periods are not necessarily indicative of results of operations for the respective full year.

Consolidation

These consolidated financial statements include the accounts of AMG and each Affiliate in which AMG has a controlling interest. In each such instance, AMG is, directly or indirectly, the sole general partner (in the case of Affiliates which are limited partnerships), sole managing general partner (in the case of the Affiliate which is a general partnership) or sole manager member (in the case of Affiliates which are limited liability companies). Investments where AMG does not hold a controlling interest are accounted for under the equity method and AMG's portion of net income is included in investment and other income. All intercompany balances and transactions have been eliminated.

Revenue Recognition

The Company's consolidated revenues represent advisory fees billed quarterly and annually by Affiliates for managing the assets of clients. Asset-based advisory fees are recognized monthly as services are rendered and are based upon a percentage of the market value of client assets managed. Any fees collected in advance are deferred and recognized as income over the period earned. Performance-based advisory fees are recognized when earned based upon either the positive difference between the investment returns on a client's portfolio compared to a benchmark index or indices, or an absolute percentage of gain in the client's account, and are accrued in amounts expected to be realized.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents are stated at cost which approximates market value due to the short-term maturity of these investments.

Fixed Assets

Equipment and other fixed assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives ranging from three to five years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease.

Acquired Client Relationships and Goodwill

The purchase price for the acquisition of interests in Affiliates is allocated based on the fair value of assets acquired, primarily acquired client relationships. In determining the allocation of purchase price to acquired client relationships, the Company analyzes the net present value of each acquired Affiliate's existing client relationships based on a number of factors including: the Affiliate's historical and potential future operating performance; the Affiliate's historical and potential future rates of attrition among existing clients; the stability and longevity of existing client relationships; the Affiliate's recent, as well as long-term investment performance; the characteristics of the firm's products and investment styles; the stability and depth of the Affiliate's management team and the Affiliate's history and perceived franchise or brand value. The cost assigned to acquired client relationships is amortized using the straight line method over periods ranging from nine to 25 years. The expected useful lives of acquired client relationships is analyzed separately for each acquired Affiliate and determined based on an analysis of the historical and potential future attrition rates of each Affiliate's existing clients, as well as a consideration of the specific attributes of the business of each Affiliate.

The excess of purchase price for the acquisition of interests in Affiliates over the fair value of net assets acquired, including acquired client relationships is classified as goodwill. Goodwill is amortized using the straight-line method over periods ranging from 15 to 30 years. In determining the amortization period for goodwill, the Company considers a number of factors including: the firm's historical and potential future operating performance; the characteristics of the firm's clients, products and investment styles; as well as the firm's history and perceived franchise or brand value. Unamortized intangible assets, including acquired client relationships and goodwill, are periodically re-evaluated and if experience subsequent to the acquisition indicates that there has been an impairment in value, other than temporary fluctuations, an impairment loss is recognized. Management evaluates the recoverability of unamortized intangible assets quarterly for each acquisition using estimates of undiscounted cash flows factoring in known or expected trends, future prospects and other relevant information. If impairment is indicated, the Company measures its loss as the excess of the carrying value of the intangible assets for each Affiliate over its fair value determined using valuation models such as discounted cash flows and market comparables. Included in amortization expense for 1996 and 1995 are impairment losses of $4,628 and $2,500, respectively, relating to two of AMG's affiliates following periods of significant client asset withdrawals. Fair value in such cases was determined using market comparables based on revenues, cash flow and assets under management. No impairment loss was recorded in 1994 or for the six months ended June 30, 1997.

Debt Issuance Costs

Debt issuance costs incurred in securing credit facility financing are capitalized and subsequently amortized over the term of the credit facility. Debt issuance costs of $983 were written off as an extraordinary item in 1996 as part of the Company's replacement of its previous credit facility with a new facility.

Interest-Rate Hedging Agreements

The Company periodically enters into interest-rate hedging agreements to hedge against potential increases in interest rates on the Company's outstanding borrowings. The Company's policy is to accrue amounts receivable or payable under such agreements as reductions or increases in interest expense, respectively.

Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 ("FAS 109") which requires the use of the asset and liability approach for accounting for income taxes. Under FAS 109, the Company recognizes deferred tax assets and liabilities for the expected consequences of temporary differences between the financial statement amount and tax basis of the Company's assets and liabilities. A deferred tax valuation allowance is established if, in management's opinion, it is more likely than not that all or a portion of the Company's deferred tax assets will not be realized.

Foreign Currency Translation

The assets and liabilities of non-U.S. based Affiliates are translated into U.S. dollars at the exchange rates in effect as of the balance sheet date. Revenues and expenses are translated at the average monthly exchange rates then in effect.

Puts and Calls

As further described in Note 12, the Company periodically purchases additional equity interests in Affiliates from minority interest owners (prior shareholders of acquired Affiliates). Resulting payments made to such owners are considered purchase price for such acquired interests. The estimated cost of purchases from equity holders who have been awarded equity interests in connection with their employment is accrued, net of estimated forfeitures, over the service period as equity-based compensation.

Equity-Based Compensation Plans

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). This standard became effective January 1, 1996. The standard encourages, but does not require, adoption of a fair value-based accounting method for stock-based compensation arrangements which includes stock option grants, sales of restricted stock and grants of equity based interests in Affiliates to certain limited partners or members. An entity may continue to apply Accounting Principles Board Opinion No. 25 ("APB 25") and related interpretations, provided the entity discloses its proforma net income and earnings per share as if the fair value based method had been applied in measuring compensation cost. The Company continues to apply APB 25.

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 included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

2. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash investments and accounts receivable. The Company maintains cash and cash equivalents, short-term investments and certain off-balance-sheet financial instruments with various financial institutions. These financial institutions are located in places where AMG and its Affiliates operate. For certain Affiliates, cash deposits at a financial institution may exceed FDIC insurance limits.

Substantially all of the Company's revenues are derived from the investment management operations of its Affiliates. For the year ended December 31, 1996, one of those Affiliates accounted for approximately 34% of AMG's share of the Owners' Allocation.

3. FIXED ASSETS AND LEASE COMMITMENTS:

Fixed assets consist of the following:

	DECEMBER 31, 1995	DECEMBER 31, 1996
Office equipment	$ 683	$ 2,614
Furniture and fixtures	313	1,677
Leasehold improvements	59	538
Computer software	156	184
Total fixed assets	1,211	5,013
Accumulated depreciation	(125)	(2,014)
Fixed assets, net	$1,086	$ 2,999

The Company and its Affiliates lease computer equipment and office space for their operations. At December 31, 1996, the Company's aggregate future minimal rentals for operating leases having initial or noncancelable lease terms greater than one year are payable as follows:

YEAR ENDING DECEMBER 31,	REQUIRED MINIMUM PAYMENTS
1997	$1,040
1998	744
1999	550
2000	488
2001	343
Thereafter	--

Consolidated rent expense for 1994, 1995 and 1996 was $260, $493 and $2,359, respectively.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

4. ACCRUED LIABILITIES:

Accrued liabilities consist of the following:

	DECEMBER 31, 1995	DECEMBER 31, 1996
Accrued compensation	$1,283	$ 9,264
Accrued rent	27	3,509
Accrued interest	304	121
Accrued taxes	298	4
Deferred revenue	9	796
Accrued commissions	201	236
Accrued professional services	66	1,350
Other	395	536
	$2,583	$ 15,816

5. RETIREMENT PLANS:

At December 31, 1996, AMG had a defined contribution retirement plan (the "Plan") covering substantially all of its full-time employees and four of its Affiliates. Three of AMG's other Affiliates had separate defined contribution retirement plans. Under each of the plans, AMG and each Affiliate is able to make discretionary contributions to qualified plan participants up to IRS limits. Consolidated expenses related to these plans in 1996 and 1995 were $656 and $222, respectively. The Company did not make any discretionary contributions to the Plan in 1994.

6. SENIOR BANK DEBT PAYABLE:

In 1995, the Company negotiated a Senior Revolving Credit Agreement (the "Credit Agreement") with a syndicate of banks enabling the Company to borrow, on a revolving credit basis, up to $50 million. The Credit Agreement had a five-year term and reduced the amount available for borrowing during its term. A commitment fee of 1/2 of 1% was payable on the daily average unused portion of the $50 million commitment. Interest rates on borrowings varied according to a sliding scale with a maximum interest rate of either 1.75% over the Prime Rate or 2.75% over the London Interbank Offered Rates ("LIBOR").

In March 1996, the Company replaced the Credit Agreement with a $125 million senior revolving credit facility, with principal repayment due on March 6, 2001. The Company pays a commitment fee of 1/2 of 1% on the daily unused portion of the facility. Interest is payable at rates up to 1.25% over the Prime Rate or 2.25% over LIBOR on amounts borrowed.

The effective interest rates on the outstanding borrowings were 6.5% and 8.5% at December 31, 1996 and 1995, respectively. All borrowings under the agreements are collateralized by pledges of all capital stock or other equity interests in each AMG Affiliate owned or to be acquired. The agreement contains certain financial covenants which require the Company to maintain specified minimum levels of net worth and interest coverage ratios and maximum levels of indebtedness, all as defined in the agreement. The agreement also limits the Company's ability to pay dividends and incur additional indebtedness.

At December 31, 1996, the Company was a party to two interest rate swap agreements with a commercial bank linked to the three month LIBOR for a notional principal amount of debt of $35 million. The swap agreements, which expire on March 6, 2001, consisted of caps and floors that, upon quarterly reset dates, will cap the cost of associated floating rate debt at 6.78% if floating rates exceed 6.78% and exchange floating rate debt for fixed rate debt at 6.78% if floating rates decline to 5% or below. The agreements are designed to limit interest rate increases on the Company's borrowings. Under the swap agreements, no amounts are exchanged between the Company and its counterparty unless the three

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

month LIBOR exceeds the cap of 6.78% or declines to or below the floor of 5%. Amounts paid under these agreements will be accounted for as increases or decreases to interest expense. No amounts have been exchanged under these agreements.

7. INCOME TAXES:

A summary of the provision for income taxes is as follows:

		YEAR ENDED DECEMBER 31, 1994	1995	1996	SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED)
Federal:	Current	$379	$ 60	$ --	$--
	Deferred	(44)	201	(233)	--
State:	Current	357	514	397	95
	Deferred	7	(69)	17	--
Provision for income taxes		$699	$706	$ 181	$95

The effective income tax rate differs from the amount computed on income (loss) before income tax and extraordinary item by applying the U.S. federal income tax rate because of the effect of the following items:

	YEARS ENDED DECEMBER 31, 1994	1995	1996	SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED)
Tax at U.S. federal income tax rate	35%	(35)%	(35)%	35%
Nondeductible expenses, primarily amortization of intangibles	59	54	21	19
State income taxes, net of federal benefit	48	13	23	8
Valuation allowance	--	--	6	--
Recognition of benefit of net operating loss carryforwards	--	--	--	(50)
	142%	32%	15%	12%

The components of deferred tax assets and liabilities follows:

	DECEMBER 31, 1995	1996
Deferred assets (liabilities):		
Net operating loss carryforward	$ 431	$ 3,481
Intangible amortization	(708)	(4,950)
Accrued compensation	--	2,004
Other, net	61	(58)
	(216)	477
Valuation allowance	--	(477)
Net deferred income taxes	$(216)	$ --

At December 31, 1996, the Company had tax net operating loss ("NOL") carryforwards of $8,400 which expire beginning in the year 2010. Realization is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. At December 31, 1996, management believed it was more likely than not that the Company's deferred tax asset of $477, arising from NOL carryforwards, would not be realized and accordingly established a full valuation allowance against the asset. As a result of the Company's initial public offering, there may be a limitation placed on the Company's utilization of its NOL's by Section 382 of the Internal Revenue Code. The Company will review the valuation allowance at the end of each quarter and will make adjustments if it is determined that it is more likely than not that the NOL's will be realized.

8. CONTINGENCIES:

The Company and its Affiliates are subject to claims, legal proceedings and other contingencies in the ordinary course of their business activities. Each of these matters are subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company or its Affiliates. The Company and its Affiliates establish accruals for matters that are probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the consolidated financial condition or results of operations of the Company.

9. ACQUISITIONS AND COMMITMENTS:

1996

During 1996, the Company acquired in purchase transactions majority interests in First Quadrant and The Burridge Group ("Burridge"). In addition, the Company acquired additional partnership interests from limited partners of two of its existing Affiliates.

The Company issued notes in the amount of $6,686 to Burridge selling shareholders who remained as employees on December 31, 1996 as partial consideration in the purchase. On January 3, 1997, the notes were settled in cash for $5,185 and the issuance of 1,715 shares of Series B-1 Voting Convertible Preferred Stock.

The results of operations of First Quadrant and Burridge are included in the consolidated results of operations of the Company from their respective dates of acquisition, March 28, 1996 and December 31, 1996.

1995

During 1995, the Company acquired in purchase transactions majority interests in Systematic Financial Management ("Systematic"), Skyline Asset Management ("Skyline") and Renaissance Investment Management ("Renaissance"). The Company also made a minority investment in Paradigm Asset Management Company ("Paradigm"). In connection with the Skyline acquisition, the Company assumed an unconditional $3,200 purchase obligation on the equity interests of limited partners which will be settled in either cash or the Company's stock.

The results of operations of Systematic, Skyline and Renaissance are included in the consolidated results of operations of the Company from their respective dates of investment, May 16, 1995, August 31, 1995, and November 9, 1995. The net income associated with the Company's minority interest in Paradigm is included in the consolidated results of operations of the Company using the equity method from May 22, 1995, the date of investment.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

1994

In 1994, the Company acquired in a series of purchase transactions an 80% interest in JMH Management Corporation ("JMH") for $6,320 in cash and the issuance by JMH of promissory notes for $3,367. The promissory notes accrued interest at 6% per annum and were paid in installments through January 31, 1997. JMH is the general partner of J.M. Hartwell Limited Partnership ("Hartwell") and owned 68% of Hartwell from 1994 through 1996. On January 1, 1996, the Company acquired an additional 8.78% of Hartwell directly from a former limited partner.

The results of operations of JMH and Hartwell are included in the consolidated results of operations of the Company beginning January 1, 1994.

The total purchase price, including cash, notes and capitalized transaction costs, associated with these investments, is allocated as follows:

	DECEMBER 31,		
	1994	1995	1996
Allocation of Purchase Price:			
Net tangible assets	$ 350	$ 1,720	$ 2,198
Intangible assets	9,633	39,800	35,040
Minority investment	--	888	--
Total purchase price	$9,983	$42,408	$37,238

Unaudited pro forma data for the years ended December 31, 1995 and 1996 are set forth below, giving consideration to the acquisitions occurring in the respective two-year period, as if such transactions occurred as of the beginning of 1995, assuming revenue sharing arrangements had been in effect for the entire period and after making certain other pro forma adjustments.

	YEAR ENDED DECEMBER 31,	
	1995	1996
Revenues	$49,760	$60,392
Income before extraordinary item	2,646	7
Net income (loss)	2,646	(976)
Primary income (loss) per share	0.52	(0.15)

In conjunction with certain acquisitions, the Company has entered into agreements and is contingently liable, upon achievement of specified revenue targets over a five-year period, to make additional purchase payments of up to $15,160 plus interest as applicable. These contingent payments, if achieved, will be settled for cash with most coming due beginning January 1, 2001 and January 1, 2002 and will be accounted for as an adjustment to the purchase price of the Affiliate. In addition, subject to achievement of performance goals, certain key Affiliate employees have options to receive additional equity interests in their Affiliates.

Related to the JMH investment, a former institutional shareholder is entitled to redeem a cash value warrant on April 30, 1999. Using the actual results of operations to date, the cash value warrant had no value and, therefore, no amounts have been accrued in these financial statements.

10. EQUITY INVESTMENTS:

In 1995, the Company purchased a 30% equity interest in Paradigm Asset Management Company, L.L.C. ("Paradigm"), which is accounted for under the equity method of accounting.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Summarized financial information for Paradigm at December 31, 1996 and 1995 and for the year ended December 31, 1996 and for the period from May 22, 1995 (the date of acquisition) to December 31, 1995 is as follows:

	AT DECEMBER 31, 1995	AT DECEMBER 31, 1996
Balance Sheet Data:		
Current assets	$ 563	$ 756
Non current assets	530	492
Total assets	$ 1,093	$1,248
Current liabilities	$ 427	$ 493
Non current liabilities	--	--
Total liabilities	$ 427	$ 493

	FOR THE PERIOD MAY 22, 1995 (DATE OF ACQUISITION) TO DECEMBER 31, 1995	FOR THE YEAR ENDED DECEMBER 31, 1996
Statement of Earnings Data:		
Total revenues	$ 894	$ 2,051
Operating and other expenses	840	1,488
Net Income	$ 54	$ 563

11. SALE OF BUSINESS:

Hartwell, the successor to Hartwell Management Company, Inc. ("HMC"), acts as Investment Advisor to Hartwell Growth Fund, Inc. and Hartwell Emerging Growth Fund, Inc. (the "Funds"). Under the terms of an agreement dated November 15, 1990, HMC and Hartwell Distributors, Inc., sold the goodwill, business and assets relating to the provision of investment advice, management and underwriting services to the Funds to Hartwell Keystone Advisors, Inc. ("HKAI") in exchange for 100 Class B common shares (nonvoting) of HKAI. The shares were recorded at a value of $1.00. Keystone Custodian Funds, Inc. ("Keystone") owns all of HKAI's Class A common shares.

Concurrent with the sale, HMC entered into a sub-advisory agreement with HKAI under which HMC would provide investment advisory services to the Funds. These investment advisory services are now provided by Hartwell. The investment advisory agreement is renewable annually by the Funds' board of directors. As compensation for its services, JMH receives a sub-advisory fee. Three years after the agreement's closing date, Keystone had the option to acquire the 100 Class B shares from HMC at a price based on the value of the Funds' shares which existed at the closing date. On March 27, 1994, Keystone exercised this option. Of the purchase price of approximately $865 (which is included in interest and other income in the 1994 statement of operations), $401 remained unpaid at December 31, 1994. This balance (which includes related accrued interest) was paid in five quarterly installments through March 1996.

12. PUTS AND CALLS:

To ensure the availability of continued ownership participation to future key employees, the Company has options to repurchase ("Calls") certain equity interests in Affiliates owned by partners or members. The options are exercisable beginning in 1997 and continue through the year

2004. In addition, Affiliate management owners have options ("Puts") to require the Company to purchase certain portions of their equity interests at staged intervals. The Company is also obligated to purchase ("Purchase") such equity interests in Affiliates upon death, disability or termination of employment. The Put obligations begin in 1998 and continue through 2017. All of the Puts and Purchases would take place based on a multiple of the respective Affiliate's Owners' Allocation but using reduced multiples for terminations for cause or for voluntary terminations occurring prior to agreed upon dates, all as defined in the limited partnership or limited liability company agreements of the Affiliates. Resulting payments made to former owners of acquired Affiliates are accounted for as adjustments to the purchase price for such Affiliates. Payments made to equity holders who have been awarded equity interests in connection with their employment are accrued, net of estimated forfeitures, over the service period as equity-based compensation.

The Company's contingent obligations under the Put and Purchase arrangements at June 30, 1997 ranged from $7.8 million on the one hand, assuming all such obligations occur due to early terminations or terminations for cause, and $39.6 million on the other hand, assuming all such obligations occur due to death, disability or terminations without cause. The Company would receive approximately $7.1 million in additional Owners' Allocation annually upon satisfaction of the above.

13. STOCKHOLDERS' EQUITY:

Common Stock

The Company has 18,314,450 authorized shares of common stock with a par value of $.01 per share of which 987,500 and 825,000 shares were issued and outstanding at December 31, 1996 and 1995, respectively.

Preferred Stock

The Company has two classes of convertible Preferred Stock. The Company has 80,000 shares of Class A Preferred Stock authorized with a par value of $.01 per share, all of which were issued and outstanding at December 31, 1996 and 1995. The Company also has two series of Class B Preferred Stock. There are 34,328 authorized shares of Series B-1 Voting Preferred Stock with a par value of $.01 per share of which 14,131 and 10,448 shares were issued and outstanding as of December 31, 1996 and 1995, respectively. There are 19,403 authorized shares of Series B-2 Non-Voting Preferred Stock with a par value of $.01 per share, all of which were issued and outstanding at December 31, 1996 and 1995.

Each share of Class A and Class B Convertible Preferred Stock is convertible into 50 shares of common stock at the option of the holder, or upon certain automatic conversion events, primarily related to an initial public offering. Except for Series B-2 Convertible Preferred Stock which is non-voting, each share of preferred stock is entitled to voting rights equal to the equivalent number of common shares issuable upon conversion. Class A Convertible Preferred Stock is entitled to a liquidation preference of $250 per share and Class B Convertible Preferred Stock is entitled to a liquidation preference of $670 per share. Preferred Stock is shown on the consolidated balance sheets at face value.

Stock Incentive Plans

The Company has established incentive stock plans, primarily to incent key employees, under which it is authorized to grant incentive and non-qualified stock options and to grant or sell shares of restricted stock. A total of 550,000 shares of common stock have been reserved for issuance under these plans. Through December 31, 1996, 287,500 shares of restricted stock have been sold under these plans and no option grants have been made. The plans are administered by a committee of the board of directors. Restricted stock sales were made at their then fair market value, as approved by the Board of Directors of the Company, and generally vest over three years and are subject to significant forfeiture provisions and other restrictions.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Supplemental Disclosure for Equity-Based Compensation

The Company continues to apply APB 25 and related interpretations in accounting for its sales of restricted stock, grants of options on preferred stock and grants of equity based interests in Affiliates. FAS 123 defines a fair value method of accounting for the above arrangements whose impact requires disclosure. Under the fair value method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the expected service period. The required disclosures under FAS 123 as if the Company had applied the new method of accounting are made below. The fair value of equity based interests at the date of grant was estimated using the minimum value method using a risk free rate of return of 6.5% and weighted-average expected lives of between 10 and 15 years.

Had compensation cost for the Company's equity based compensation arrangements been determined based on the fair value at grant date for awards subsequent to January 1, 1995, consistent with the requirements of FAS 123, the Company's net income (loss) and net income (loss) per share would have been as follows:

	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED)
Net income (loss) -- as reported	$(2,936)	$(2,372)	$ 706
Net income (loss) -- FAS 123 pro forma	(3,091)	(2,141)	666
Net income (loss) -- per share -- as reported	(0.58)	(0.36)	0.10
Net income (loss) per share -- FAS 123 pro forma	(0.61)	(0.32)	0.10

14. LOSS PER SHARE:

Loss per share is calculated based on the weighted average number of common and common equivalent shares outstanding during the period using guidance provided by the SEC for companies contemplating an initial public offering. Loss per common and common equivalent share for the years ended December 31, 1994, 1995, and 1996 was as follows:

	YEAR ENDED DECEMBER 31, 1994	1995	1996
Net (loss) attributable to common stock	$ (206)	$(2,936)	$(2,372)
Weighted average common shares outstanding	3,044	1,439	942
Common equivalent shares:			
Incremental shares treasury stock method	103	103	103
Assumed conversion of preferred stock	1,331	3,513	5,586
Total weighted average common and common equivalent shares outstanding	4,478	5,055	6,631
Net (loss) per common share	$(0.05)	$ (0.58)	$ (0.36)

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

In accordance with the Commission's Staff Accounting Bulletin 83, the loss per share has been calculated assuming that all stock options granted by the Company within one year of the Company's initial public offering have been outstanding for all periods presented. The effect of such stock options has been calculated using the "treasury stock" method assuming an estimated initial public offering price and has been included in the calculation of common equivalent shares outstanding despite the fact that the effect of the assumed exercise of such options is anti-dilutive.

If loss per share had been calculated based on the actual common and common equivalent shares outstanding, rather than utilizing the Commission's guidance for companies contemplating an initial public offering, the resulting loss per share would have been $(0.05), $(0.59) and $(0.36) for the years ended December 31, 1994, 1995 and 1996, respectively.

15. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

FASB Statement No. 107, "Disclosures about Fair Value of Financial Instruments" ("FAS 107"), requires the Company to disclose the estimated fair values for certain of its financial instruments. Financial instruments include items such as loans, interest rate contracts, notes payable, and other items as defined in FAS 107.

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Quoted market prices are used when available, otherwise, management estimates fair value based on prices of financial instruments with similar characteristics or using valuation techniques such as discounted cash flow models. Valuation techniques involve uncertainties and require assumptions and judgments regarding prepayments, credit risk and discount rates. Changes in these assumptions will result in different valuation estimates. The fair value presented would not necessarily be realized in an immediate sale; nor are there plans to settle liabilities prior to contractual maturity. Additionally, FAS 107 allows companies to use a wide range of valuation techniques, therefore, it may be difficult to compare the Company's fair value information to other companies' fair value information.

The following table presents a comparison of the carrying value and estimated fair value of the Company's financial instruments at December 31, 1996:

	CARRYING VALUE	ESTIMATED FAIR VALUE
Financial assets:		
Cash and cash equivalents	$ 6,767	$ 6,767
Financial liabilities:		
Notes payable to related parties	(7,379)	(7,374)
Senior bank debt	(33,400)	(33,400)
Off-balance sheet financial instruments:		
Interest-rate protection agreements	--	(763)

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

The following table presents a comparison of the carrying value and estimated fair value of the Company's financial instruments at December 31, 1995:

	CARRYING VALUE	ESTIMATED FAIR VALUE
Financial assets:		
Cash and cash equivalents	$ 14,096	$ 14,096
Financial liabilities:		
Notes payable to related parties	(1,905)	(1,878)
Senior bank debt	(18,400)	(18,400)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amount approximates fair value because of the short term nature of these instruments.

Notes payable to related parties: The fair value was calculated with a discounted cash flow model using existing payment terms and the prime rate.

Senior Bank Debt: The carrying value approximates fair value because the debt is a revolving credit facility with variable interest based on three month LIBOR rates.

Interest rate protection agreements: The fair value of interest rate protection agreements are quoted market prices based on the estimated amount necessary to terminate the agreements.

16. EVENTS SUBSEQUENT TO DECEMBER 31, 1996:

New Investments

On March 5, 1997, the Company announced the signing of a definitive agreement to purchase an interest in Gofen and Glossberg, LLC, which will succeed to the business of Gofen and Glossberg, Inc., an investment management firm based in Chicago, Illinois. The Company completed this investment in May 1997.

The total purchase price of Gofen and Glossberg, LLC, including capitalized transaction costs is allocated as follows:

Allocation of Purchase Price:	
Net tangible assets	$ 264
Intangible assets	10,808
Total purchase price	$11,072

The amortization period used for intangible assets related to the Gofen and Glossberg transaction was 25 years for acquired client relationships and 30 years for goodwill.

Unaudited pro forma data for the year ended December 31, 1996 and for the six month period ended June 30, 1997 are set forth below, giving consideration to the Gofen and Glossberg transaction, as if it occurred as of the beginning of 1996, assuming revenue sharing arrangements had been in effect for the entire period and after making certain other pro forma adjustments.

AFFILIATED MANAGERS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31, 1996	SIX MONTHS ENDED JUNE 30, 1997
Revenues	$68,177	$ 35,842
Income before extraordinary item	196	971
Net income (loss)	(787)	971
Primary income (loss) per share	(0.12)	0.14

In October 1997, the Company completed its investment in Tweedy, Browne Company LLC, an investment adviser and broker dealer in New York, New York. On September 30, 1997, the Company completed its investment in GeoCapital, LLC, an investment management firm based in New York, New York. In connection with this investment, the Company issued an aggregate 10,667 shares of Class D Convertible Preferred Stock valued at $9.6 million. Each share of Class D Convertible Preferred Stock is convertible into 50 shares of Common Stock.

New Financing

In August and October 1997, the Company entered into agreements to raise, in a series of transactions, financing totaling up to $390 million in the aggregate. The financing contains $300 million from a senior credit facility ("Senior Debt") to replace the existing $125 million credit facility, $60 million from subordinated debt ("Subordinated Debt") and $30 million from the issuance of Class C Convertible Preferred Stock and warrants to purchase Class C Convertible Preferred Stock. The Senior Debt comprises up to $200 million of 7-year revolving credit loans, $50 million of 7-year Tranche A term loans and $50 million of 8-year Tranche B term loans. The proceeds of the Senior Debt has been used primarily for the repayment of existing indebtedness, for new investments and for general corporate purposes. The Senior Debt contains financial covenants similar to the Company's existing Credit Agreement and bears interest at the Prime Rate or LIBOR in each case plus a margin which will vary depending on the Company's periodic Senior Debt ratio. The Subordinated Debt accrues interest initially at LIBOR plus 7.25%. The interest rate on the Subordinated Debt will increase by 1/2 of 1% each quarter to a maximum interest rate of 17%, of which 15% is required to be paid in cash and 2% is to be added to the face amount of the notes. The Company intends to redeem the Subordinated Debt and repay a portion of the Senior Debt out of the proceeds from the Offerings.

The Company issued 5,333 shares of Class C Convertible Preferred Stock and warrants to purchase 28,000 shares of Class C Convertible Preferred Stock exercisable at $.01 per share for $30 million in total consideration to Chase Equity Associates, L.P. in connection with the recent financing described above. Each share of Class C Convertible Preferred Stock is convertible into 50 shares of common stock and has a liquidation preference of $900 per share.

Stock Incentive Plans

In May 1997, the Company granted options to purchase up to 1,850 shares of Class A Convertible Preferred Stock under the 1995 Plan to management at an exercise price of $455 per share representing 110% of the estimated fair value of the underlying stock on the date of grant as approved by the Company's Board of Directors. These options vest over a three year period. At June 30, 1997, options to purchase 308 shares of Class A Convertible Preferred Stock (convertible into 15,400 shares of Common Stock) were exercisable.

The Company intends to grant 590,000 options to employees with an exercise price equal to the initial public offering price under its 1997 Stock Plan. The options would be exercisable in 15% increments at the end of each of the first six anniversaries of the date of grant and 10% on the seventh anniversary. All these options would become exercisable upon a change in control and upon the achievement of certain financial goals.

Stock Split

On October 27, 1997, the Company's Board of Directors authorized a 50-for-1 stock split effected in the form of a stock dividend on the Company's authorized and outstanding Common Stock, effective on the date the Commission declares the Company's initial Registration Statement effective. Where applicable, these Consolidated Financial Statements and Notes thereto reflect the common stock split on a retroactive basis.

REPORT OF INDEPENDENT ACCOUNTANTS

The Shareholders and Board of Directors
Gofen and Glossberg, Inc.

We have audited the accompanying statements of financial condition of Gofen and Glossberg, Inc. as of December 31, 1996 and 1995, and the related statements of operations, changes in shareholders' 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits of the financial statements 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 Gofen and Glossberg, Inc. as of December 31, 1996 and 1995 and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

Coopers & Lybrand L.L.P.

Chicago, Illinois
August 15, 1997

GOFEN AND GLOSSBERG, INC.

STATEMENTS OF FINANCIAL CONDITION
AS OF DECEMBER 31, 1996 AND 1995
(IN THOUSANDS)

	1996	1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 263	$ 166
Accounts receivable	525	395
Prepaid expenses	33	31
Employee note receivable	1	2
Total current assets	822	594
Property, equipment and leasehold improvements (net of accumulated depreciation and amortization of $1,145 and $989, respectively)	529	565
Total assets	$1,351	$1,159
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 50	$ 45
Total current liabilities	50	45
Deferred revenue	645	529
Deferred rent abatement	150	--
Total liabilities	845	574
Commitments and Contingencies (Note 4)		
Shareholders' equity:		
Common stock, no par or stated value; authorized 100,000 shares; issued and outstanding 15,200 shares	69	69
Retained earnings	437	516
Total shareholders' equity	506	585
Total liabilities and shareholders' equity	$1,351	$1,159

The accompanying notes are an integral part of the financial statements.

GOFEN AND GLOSSBERG, INC.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995
(IN THOUSANDS)

	1996	1995
Revenue:		
Asset-based management fees	$7,785	$6,844
Other	50	46
Total revenue	7,835	6,890
Expenses:		
Salaries and benefits	6,128	4,489
Incentive compensation and benefits	257	240
Investment and other purchased services	109	90
Occupancy	495	678
Depreciation and amortization	155	134
Marketing	89	73
Professional fees	400	407
Telephone and postage	81	69
Office supplies	146	111
Settlement of litigation	--	560
Other	54	120
Total expenses	7,914	6,971
Net loss	$ (79)	$ (81)

The accompanying notes are an integral part of the financial statements.

GOFEN AND GLOSSBERG, INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995
(DOLLARS IN THOUSANDS)

	COMMON SHARES	COMMON STOCK	RETAINED EARNINGS	TOTAL
Balances, January 1, 1995	15,200	$69	$597	$666
Net loss	--	--	(81)	(81)
Balances, December 31, 1995	15,200	69	516	585
Net loss	--	--	(79)	(79)
Balances, December 31, 1996	15,200	$69	$437	$506

The accompanying notes are an integral part of the financial statements.

GOFEN AND GLOSSBERG, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995
(IN THOUSANDS)

	1996	1995
Cash flows from operating activities:		
Net loss	$ (79)	$ (81)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	155	134
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(130)	93
Decrease in employee note receivable	1	4
(Increase) in prepaid expenses	(2)	--
Increase (decrease) in accounts payable and accrued liabilities	5	(26)
Increase in deferred liabilities	266	70
Net cash provided by operating activities	216	194
Cash flows from investing activities:		
Purchases of property and equipment	(119)	(138)
Net cash used in investing activities	(119)	(138)
Net increase in cash and cash equivalents	97	56
Cash and cash equivalents at beginning of year	166	110
Cash and cash equivalents at end of year	$ 263	$ 166

The accompanying notes are an integral part of the financial statements.

GOFEN AND GLOSSBERG, INC.

NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. ORGANIZATION AND BUSINESS:

Gofen and Glossberg, Inc., an Illinois corporation (the "Company"), provides asset management and investment advisory services to institutional investors and high net worth individuals located throughout the United States.

2. SIGNIFICANT ACCOUNTING POLICIES:

Cash Equivalents

For financial statement purposes, the Company considers interest-bearing cash and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost which approximates market value due to the short-term maturity of these investments.

Property and Equipment, Depreciation and Amortization

Property and equipment are recorded at cost and depreciated principally on accelerated methods over the estimated useful lives of the related assets, generally five to seven years. Amortization on leasehold improvements is computed on a straight-line basis over the shorter of their estimated useful lives or the term of the lease. Maintenance and repairs are charged to expense when incurred.

Revenue Recognition

The Company's revenues are derived primarily from asset-based investment advisory fees. These fees are generally billed in advance and on a quarterly basis based on the amount of assets under management at the beginning of each quarter. The revenue is deferred and the income is recognized as earned during the quarter.

Income Taxes

No Provision for income taxes is made in the accompanying financial statements since the Company, as a Subchapter S Corporation, is treated as a partnership for income tax purposes whereby the Shareholders are responsible for recording their proportionate share of the Company's income in their tax returns.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GOFEN AND GLOSSBERG, INC.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	1996	1995
Office equipment	$ 787	$ 672
Furniture and fixtures	493	489
Leasehold improvements	394	393
	1,674	1,554
Accumulated depreciation and amortization	(1,145)	(989)
	$ 529	$ 565

4. COMMITMENTS AND CONTINGENCIES:

The Company leases its office facilities under an operating lease that expires in 2009. During 1996, the Company extended the lease term by ten years to the 2009 date. In return for this extension rent payments were abated for the period June 1, 1996 through December 31, 1996. In addition, lease terms during the ten-year extension are more favorable than the current lease. The Company accounts for this lease and rent abatement under Statement of Financial Accounting Standards No. 13, Accounting for Leases whereby total minimum rental payments are recognized as rent expense on a straight-line basis over the term of the lease. Amounts charged to rent expense that are in excess of amounts required to be paid under the lease and rent abatement are carried on the statement of financial condition as a deferred credit.

The lease also provides the Company with space improvement and redecorating credits. The Company's maximum available credits for space improvement and for redecorating are approximately $27 and $136, respectively, of which approximately $16 and $82, respectively, may be applied against the Company's future rental commitments. No credits have been utilized by the Company.

Additional terms of the lease provide the Company with the option of extending the lease term for a five-year period commencing October 1, 2009 and the option of adding approximately 4,000 square feet to the lease effective October 1, 2000. Neither of these options have been exercised by the Company. Rent expense for the years ended December 31, 1996 and 1995 was $428 and $623, including real estate taxes and maintenance.

At December 31, 1996, future minimum rentals for the above operating lease, which is subject to an escalation clause, are payable as follows:

YEAR ENDING DECEMBER 31,	AMOUNT
1997	$ 363
1998	364
1999	322
2000	190
2001	194
Thereafter	1,637

GOFEN AND GLOSSBERG, INC.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

5. BENEFIT PLANS:

The Company had a 401(k) retirement plan covering all eligible employees. Company contributions are made for each eligible participant based upon a percentage of wages subject to certain minimum and maximum limitations, as defined. The contributions for the years ended December 31, 1996 and 1995 were $257 and $244, respectively.

The Company had an unfunded deferred compensation plan for key employees. In the event of death, disability or retirement, it is payable in 60 monthly installments of $4. The Company paid $38 and $50 under the plan during 1996 and 1995, respectively. Current obligations existing under this program were $0 and $38 as of December 31, 1996 and 1995, respectively.

6. SHAREHOLDERS' EQUITY:

A shareholders' agreement provides that the Company will purchase for book value, as defined, the outstanding shares of any shareholder in the event of death, disability or termination of service from the Company.

7. SUBSEQUENT EVENT:

On March 5, 1997, the Company transferred substantially all its assets and liabilities to Gofen and Glossberg, L.L.C., a newly established Delaware limited liability company (the "LLC"), which will succeed to the business of the Company. This transfer was performed in conjunction with a definitive purchase agreement with an independent third-party, Affiliated Managers Group, Inc. ("AMG"), whereby AMG has purchased a majority interest in the LLC.

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
The Burridge Group Inc.

We have audited the accompanying statements of operations, changes in shareholders' equity, and cash flows of The Burridge Group Inc. for the period January 1, 1996 to December 30, 1996 and the years ended December 31, 1995 and 1994. 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 presentation of the financial statements. We believe that our audits of the financial statements provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations of The Burridge Group Inc. and its cash flows for the period January 1, 1996 to December 30, 1996 and the years ended December 31, 1995 and 1994, in conformity with generally accepted accounting principles.

Coopers & Lybrand L.L.P.

Chicago, Illinois
August 8, 1997

THE BURRIDGE GROUP INC.

STATEMENTS OF OPERATIONS
FOR THE PERIOD JANUARY 1, 1996 TO DECEMBER 30, 1996
AND THE YEARS ENDED DECEMBER 31, 1995 AND 1994
(IN THOUSANDS)

	1996	1995	1994
Revenue:			
Asset-based management fees	$6,117	$5,002	$ 3,033
Other	38	21	6
Total revenue	6,155	5,023	3,039
Expenses:			
Salaries and benefits	2,076	1,767	1,344
Incentive compensation and bonuses	2,049	1,760	695
Investment and other purchased services	258	225	110
Occupancy	295	201	161
Depreciation and amortization	125	97	70
Marketing	293	232	166
Professional fees	455	57	70
Telephone and postage	72	61	56
Office supplies	56	64	30
Other	441	456	252
Total expenses	6,120	4,920	2,954
Income before income taxes	35	103	85
Income tax expense	17	46	32
Net income	$ 18	$ 57	$ 53

The accompanying notes are an integral part of the financial statements.

THE BURRIDGE GROUP INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD JANUARY 1, 1996 TO DECEMBER 30, 1996
AND THE YEARS ENDED DECEMBER 31, 1995 AND 1994

(DOLLARS IN THOUSANDS)

	PREFERRED SHARES	PREFERRED STOCK	COMMON SHARES	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balances, January 1, 1994......	--	$--	5,500	$ 64	$ --	$154	$218
Net income.....................	--	--	--	--	--	53	53
	--						
Balances, December 31, 1994....	--	--	5,500	64	--	207	271
Net income.....................	--	--	--	--	--	57	57
	--						
Balances, December 31, 1995....	--	--	5,500	64	--	264	328
Contributed Capital............	--	--	--	--	47	--	47
Net income.....................	--	--	--	--	--	18	18
	--						
Balances, December 30, 1996....	0	$ 0	5,500	$ 64	$ 47	$282	$393

The accompanying notes are an integral part of the financial statements.

THE BURRIDGE GROUP INC.

STATEMENTS OF CASH FLOWS
FOR THE PERIOD JANUARY 1, 1996 TO DECEMBER 30, 1996
AND THE YEARS ENDED DECEMBER 31, 1995 AND 1994
(IN THOUSANDS)

	1996	1995	1994
Cash flows from operating activities:			
Net income	$ 18	$ 57	$ 53
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	125	97	70
Deferred income taxes	30	(9)	(2)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	604	(313)	(242)
Increase in other assets	(98)	(4)	--
Increase in refundable income taxes	(56)	--	--
Increase in prepaid expense	(35)	(5)	(4)
Increase (decrease) in accounts payable	2	3	(3)
Increase in accrued expenses	263	13	20
Increase in due to TBG LLC	275	--	--
Increase (decrease) in income taxes payable	(23)	5	18
Increase (decrease) in deferred revenue	(746)	232	182
Net cash provided by operating activities	359	76	92
Cash flows from investing activities:			
Purchases of property and equipment	(146)	(107)	(173)
Net cash used in investing activities	(146)	(107)	(173)
Cash flows from financing activities:			
Proceeds from notes payable	--	250	--
Principal payments on notes payable	(250)	(100)	--
Net cash provided by (used in) financing activities	(250)	150	--
Net increase (decrease) in cash and cash equivalents	(37)	119	(81)
Cash and cash equivalents at beginning of period	170	51	132
Cash and cash equivalents at end of period	$ 133	$ 170	$ 51
Supplemental disclosures of cash flow information -- cash paid during the year for:			
Interest	$ 7	$ 8	$ 3
Income taxes	66	51	17

Supplemental disclosure of non-cash investing and financing activities:

Stock options were exercised during the period January 1, 1996 to December 30, 1996 which generated a capital contribution of $47.

The accompanying notes are an integral part of the financial statements.

THE BURRIDGE GROUP INC.

NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

1. ORGANIZATION:

The Burridge Group Inc., an Illinois corporation (the "Company"), provides investment advisory services to endowments, foundations, pension plans, profit-sharing trusts, public funds, unions, bank trust departments and individuals located throughout the United States. On October 11, 1996, Affiliated Managers Group, Inc., a Delaware corporation ("AMG"), entered into a Stock Purchase Agreement with the Company and the holders of the Company's capital stock to purchase all the capital stock of the Company. In conjunction with the completion of the purchase at the close of business on December 30, 1996, the Company transferred substantially all of its assets and substantially all of its liabilities to The Burridge Group LLC, a newly established Delaware limited liability company (the "LLC"), for which the Company serves as the manager member and owns a majority interest. Effective at the close of business on December 30, 1996, the Company became a wholly-owned subsidiary of AMG.

2. SIGNIFICANT ACCOUNTING POLICIES:

Cash Equivalents

For financial statement purposes, the Company considers interest-bearing cash and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost which approximates market value due to the short-term maturity of these investments.

Depreciation and Amortization

Depreciation is computed for financial reporting purposes principally on the straight-line method over the estimated useful lives of the related assets, generally five to seven years. Amortization on leasehold improvements is computed on a straight-line basis over the shorter of their estimated useful lives or the term of the lease. Maintenance and repairs are charged to expense when incurred.

Revenue Recognition

The Company's revenues are derived primarily from investment advisory fees. These fees are generally billed in advance and on a quarterly basis based on the amount of assets under management at the beginning of each quarter. The revenue is deferred and the income is recognized as earned during the quarter.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be ultimately realized in the federal income tax return. The income tax provision is the current tax liability plus the change during the period in deferred tax assets and liabilities.

Use of Estimates

The preparation of these statements of operations, changes in shareholders' equity and cash flows in conformity with generally accepted accounting principles requires management to make

THE BURRIDGE GROUP INC.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

certain estimates and assumptions that affect disclosures and amounts reported in these statements of operations, changes in shareholders' equity and cash flows. Actual results could differ from those estimates.

3. CONCENTRATION OF CREDIT AND OTHER RISK:

The Company maintains its cash accounts with a major Chicago-based commercial bank. Accounts at this bank are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to $100. At December 30, 1996 and at December 31, 1995 and 1994, the Company had $339, $252 and $61, respectively, which was in excess of the FDIC insurance limit.

During the period January 1, 1996 to December 30, 1996 and during the years ended December 31, 1995 and 1994, the Company derived approximately 10%, 11% and 13% of its revenue, respectively, from a managed account program sponsored by one national brokerage firm.

4. LEASE COMMITMENTS:

The Company entered into a lease agreement for office facilities in January, 1994. Leased office facilities are under a sublease agreement with an unrelated third party and this sublease is subordinate to a master lease agreement dated July 15, 1983 which expires on January 15, 2001. The Company's lease expires on August 31, 1998 and provides for certain base rental charges and escalation charges for real estate taxes and building maintenance costs. The Company has an option to terminate its lease after January 1, 1997. Termination can be effected upon giving eight months written notice and making a termination payment based on the unamortized balance of construction allowances, concessions or costs previously incurred. As of December 30, 1996, the termination fee was approximately $24.

Minimum annual rental commitments are as follows:

1997	$272
1998	182

Rental expense was $263, $181 and $144 for the period January 1, 1996 to December 30, 1996 and for the years ended December 31, 1995 and 1994, respectively.

5. STOCK OPTION PLAN:

On September 1, 1994, the Company and certain of its shareholders entered into an employment and stock option agreement (the "Agreement") with an employee. Pursuant to this Agreement, the employee was granted an option, which expired on September 1, 1997, to acquire 250 shares of the Company's stock from existing shareholders at $518 per share. The exercise date could be accelerated if 50% or more of the shareholders agreed to a sale of the Company. The Agreement contained a "Buy/Sell" clause which required the employee to sell acquired shares to the Company or other shareholders at $518 per share upon separation of employment or death.

Due to the sale of the Company to AMG (see Note 1), the exercise date for the option was accelerated and the shares were acquired by the employee from the existing shareholders prior to their sale to AMG. The "Buy/Sell" clause was also suspended for purposes of the AMG transaction.

The compensatory value inherent in the option (the difference between the stock's sale price and $518 per share) was triggered upon the Company's sale to AMG. The Company was then deemed to have received capital contributions from its shareholders in an amount equal to the tax

THE BURRIDGE GROUP INC.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

benefit derived by the Company from this difference. This difference amounted to $139 and, based upon the Company's effective tax rate, it received tax benefits and a capital contribution of $47.

6. PROFIT SHARING PLAN:

The Company had a 401(k) profit sharing plan that covered all employees who met the minimum service requirements, as defined. Under the terms of the plan, participants may contribute \on a tax-deferred basis up to 15% of their compensation or the maximum amount allowable by the current tax law. The Company, under the terms of the plan, may make discretionary contributions at a rate determined on a quarterly basis. The Company matching was $26, $19 and $15 for the period January 1, 1996 to December 30, 1996 and for the years ended December 31, 1995 and 1994, respectively.

7. INCOME TAXES:

As a corporation registered in the State of Illinois, the Company pays taxes as a stand-alone corporation at the state and federal level. A summary of the income tax expense is as follows:

	JANUARY 1, TO DECEMBER 30, 1996	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1994
Federal:			
Current	$ 27	$ 43	$ 26
Deferred	(14)	(8)	(2)
State:			
Current	7	13	9
Deferred	(3)	(2)	(1)
Income tax expense	$ 17	$ 46	$ 32

The effective income tax rate differs from the amount computed on income before income taxes by applying the U.S. federal income tax rate because of the effect of the following items:

	JANUARY 1, TO DECEMBER 30, 1996	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1994
Tax provision at U.S. federal income tax rate	34%	34%	34%
Nondeductible expenses, principally business meals and entertainment	42	14	10
State income taxes, net of federal income tax expense	9	7	7
Rate differential for surtax exemption	(22)	(8)	(13)
Depreciation deferral adjustment	(14)	--	--
Other	--	(2)	--
	49%	45%	38%

INDEPENDENT AUDITORS' REPORT

The Board of Directors
First Quadrant Corp.:

We have audited the accompanying combined statements of income of First Quadrant Institutional and First Quadrant Limited (a division and subsidiary, respectively, of First Quadrant Corp.) for the period from January 1, 1996 to March 25, 1996 and the year ended December 31, 1995. These combined statements of income are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined statements of income based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of income are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of income. 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 combined statements of income referred to above present fairly, in all material respects, the combined results of operations of First Quadrant Institutional and First Quadrant Limited in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Los Angeles, California
July 24, 1997

FIRST QUADRANT INSTITUTIONAL AND FIRST QUADRANT LIMITED

COMBINED STATEMENTS OF INCOME
FOR THE PERIOD JANUARY 1, 1996 THROUGH MARCH 25, 1996 AND THE
YEAR ENDED DECEMBER 31, 1995
(IN THOUSANDS)

	1996	1995
Revenue:		
Asset based management fees	$3,891	$15,472
Performance based management fees	--	5,210
Other	--	93
Total revenue	3,891	20,775
Expenses:		
Salaries and benefits	853	4,451
Incentive compensation and bonuses	832	7,061
Investment and other purchased services	443	1,955
Marketing	312	1,505
Professional fees	237	401
Occupancy	201	1,173
Depreciation and amortization	130	607
Telephone and postage	61	351
Office supplies	19	122
Other	93	744
Total expenses	3,181	18,370
Income before income taxes	710	2,405
Income taxes	328	1,091
Net income	$ 382	$ 1,314

See accompanying Notes to Combined Statements of Income.

FIRST QUADRANT INSTITUTIONAL AND FIRST QUADRANT LIMITED

NOTES TO COMBINED STATEMENTS OF INCOME
FOR THE PERIOD JANUARY 1, 1996 THROUGH MARCH 25, 1996 AND THE YEAR ENDED DECEMBER 31, 1995
(DOLLARS IN THOUSANDS)

1. GENERAL INFORMATION:

First Quadrant Institutional and First Quadrant Limited (collectively known as the "Company") were a division and wholly owned subsidiary, respectively, of First Quadrant Corp. ("FQC"). FQC was a wholly owned subsidiary of Talegen Holdings, Inc. ("Talegen"), which is wholly owned by Xerox Financial Services, Inc., a wholly owned subsidiary of Xerox Corporation ("Xerox"). On January 17, 1996 Affiliated Managers Group, Inc. ("AMG") entered into a Stock Purchase Agreement with Talegen to have First Quadrant Holdings, Inc. ("FQ Holdings") (a wholly owned subsidiary of AMG) purchase all of the capital stock of FQC from Talegen. At the close of business on March 25, 1996, FQC transferred certain investment advisory contracts and substantially all of its assets, excluding the investment in First Quadrant Limited, and substantially all liabilities to the newly established First Quadrant, L.P., for which FQC serves as the general partner. On March 28, 1996, AMG completed the purchase from Talegen.

In conjunction with the purchase of First Quadrant Institutional described above, 100% of the stock of First Quadrant Limited previously owned by FQC was contributed to a newly formed partnership, First Quadrant U.K. L.P., for which FQC serves as the general partner. First Quadrant Institutional and First Quadrant Limited constitute the continuing operations of FQC which are now majority owned by AMG.

FQC, which commenced operations in 1985, is a registered investment advisor under the Investment Advisers Act of 1940 (the "Act"). The primary business of First Quadrant Institutional was to provide advisory, evaluation, and research services relating to the acquisition and disposition of marketable securities, including derivative financial instruments. First Quadrant Limited (formerly Barbican Capital Management, Ltd.), which was wholly owned by FQC, is a foreign investment advisory concern whose primary business is similar to that of First Quadrant Institutional.

On August 31, 1995 FQC sold its division, First Quadrant Insurance, and its 25% ownership in Seneca, Inc., a registered investment advisor under the Act, to American Re Asset Management, Inc. All activity relating to the operations of First Quadrant Insurance and Seneca, Inc., including the gain recognized on the sale, are not reflected in the accompanying financial statements.

An integral part of managing the Company's domestic and global tactical asset allocation and tactical currency allocation strategies for client's investment accounts involves the use of derivative financial instruments. These instruments are securities that provide an economic payoff contingent upon the value of other assets such as stock and bond prices or market index values. The Company directs the purchase of these instruments only on behalf of client accounts and in accordance with written guidelines established in the individual investment contracts with each client. The instruments purchased are exchange traded futures, options, and foreign currency contracts, all of which are valued at market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying statements of income have been presented on a combined basis of accounting. All transactions between First Quadrant Institutional and First Quadrant Limited have been eliminated in the combined statements of income.

FIRST QUADRANT INSTITUTIONAL AND FIRST QUADRANT LIMITED

NOTES TO COMBINED STATEMENTS OF INCOME -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Depreciation and Amortization

Depreciation and amortization on property is computed on a straight-line basis over the estimated useful lives of the assets (generally one to eight years). Depreciation and amortization on leasehold improvements is computed on a straight-line basis over the shorter of their useful lives or the term of the lease.

Revenue Recognition

Asset based management fee income represents fees for managing the underlying assets of customers. Performance based management fees are earned based upon the Company's investment management returns related to a client's portfolio relative to the passive returns of a benchmark index, or composite of indices generally computed on an annual basis.

Income Taxes

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against deferred tax assets is recorded if it is more likely than not that all or some portion of the benefits related to deferred tax assets would not be realized.

Postretirement Benefits

The cost of postretirement benefits is recognized in the financial statements during the employee's active working career.

Foreign Currency Translation

First Quadrant Limited was responsible for 21% and 8% of the total revenues and 10% and 8% of the total expenses generated by the Company in the period from January 1, 1996 through March 25, 1996 and the year ended December 31, 1995.

In accordance with SFAS No. 52, "Accounting for Foreign Currency Translation," First Quadrant Limited's assets and liabilities are translated to U.S. dollars at year-end exchange rates, revenues and expenses at average exchange rates during the year and shareholder's equity at historical exchange rates. Gains and losses resulting from translation of the financial statements are excluded from the combined statement of income and are recorded directly to a separate component of shareholder's equity.

Use of Estimates

Management of the Company has made certain estimates and assumptions in the preparation of these consolidated statements of income in conformity with generally accepted accounting principles. Actual results could differ from these estimates.

3. INCENTIVE COMPENSATION AND BONUSES:

Through December 31, 1995 the Company had an incentive compensation plan that provided incentive compensation to certain employees. A portion of the incentive compensation pool was

FIRST QUADRANT INSTITUTIONAL AND FIRST QUADRANT LIMITED

NOTES TO COMBINED STATEMENTS OF INCOME -- (CONTINUED)
(DOLLARS IN THOUSANDS)

based on revenues from unaffiliated companies. The remaining amount was discretionary, although it could not exceed certain compensation levels. The incentive compensation plan was amended effective December 31, 1995 to provide for no further incentive compensation awards. All bonuses accrued during the period from January 1, 1996 through March 25, 1996 were based on earnings of First Quadrant Institutional during that period and were allocated at the discretion of management.

4. INCOME TAXES:

Xerox and Talegen and in turn, Talegen and FQC, entered into a tax allocation agreement effective in 1983 which provided that Talegen and its subsidiaries, including FQC, would pay or be reimbursed by Xerox for the tax liabilities or benefits generated due to the inclusion of Talegen and its subsidiaries in the Xerox consolidated Federal income tax return. The right to reimbursement from Xerox for any tax benefits did not expire due to any statutory period of limitation under the Internal Revenue Code. The agreement generally provided that Talegen subsidiaries, including FQC, would compute their income tax liability on a separate return basis.

The actual tax provision differs from the statutory Federal tax rate of 35% due to the following:

	1996	1995
U.S. Federal statutory income tax rate	35.0%	35.0%
State income taxes, net of Federal income tax benefit	6.6	6.0
Meals and entertainment	1.2	1.5
Other	3.4	2.9
Effective income tax rate	46.2%	45.4%

The treatment of incentive and deferred compensation gives rise to the significant portion of the Company's deferred tax assets. The provision (benefit) for income taxes for the period ended March 25, 1996 and the year ended December 31, 1995, consists of the following:

	CURRENT	DEFERRED	TOTAL
1996:			
Federal	$ 93	$ 163	$ 256
State	1	71	72
	$ 94	$ 234	$ 328
1995:			
Federal	$ 1,178	$ (310)	$ 868
State	311	(88)	223
	$ 1,489	$ (398)	$1,091

5. PENSIONS:

Talegen had a principal noncontributory defined benefit pension plan ("Plan") that covered substantially all employees of the Company who met eligibility requirements. The Plan provided benefits that were based on total years of service and compensation during an employee's last five years of employment. Contributions were made to the Plan in an amount deductible and in accordance with funding standards established under the Internal Revenue Code as amended by the Employee Retirement Income Security Act of 1974. Effective July 1, 1993, Talegen amended the Plan with the effect of limiting the accrual of further benefits to its participants under the terms of the

FIRST QUADRANT INSTITUTIONAL AND FIRST QUADRANT LIMITED

NOTES TO COMBINED STATEMENTS OF INCOME -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Plan. Total pension costs allocated to the Company approximated $4 and $41 in 1996 and 1995, respectively.

6. OTHER POSTEMPLOYMENT BENEFITS ("OPEB"):

Talegen provided certain health care and life insurance benefits for retired employees. Prior to 1993, substantially all employees, including those employees of the Company, became eligible for these benefits if they reached normal retirement age (or age 55 under certain circumstances), with a defined minimum period of service, while still working for the Company. In 1993, Talegen announced its intention to limit the retiree medical benefits to those employees who had reached age 50 on January 1, 1994 and who ultimately retired with at least 15 years of service. The total OPEB costs allocated to the Company approximated $4 and $6 in 1996 and 1995, respectively.

7. LEASES:

The Company is obligated under operating leases which expire in 2003 and 2008 for the Company's Pasadena and London offices respectively. The total rent expense under these operating leases for 1996 and 1995 amounted to approximately $153 and $646, respectively.

8. RELATED PARTY TRANSACTIONS:

In 1993, the Company entered into agreements with Apprise Corp., an affiliated entity of Talegen, pursuant to which Apprise Corp. provided data processing services (including payroll). The service fee for 1996 and 1995 amounted to approximately $53 and $164, respectively, and is included in investment and other purchased services.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
GeoCapital Corporation

We have audited the balance sheets of GeoCapital Corporation (the "Corporation") as of September 30, 1996 and 1995, and the related statements of income and retained earnings and cash flows for the years ended September 30, 1996, 1995 and 1994. These financial statements are the responsibility of the Corporation'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 the Corporation as of September 30, 1996 and 1995, and the results of its operations and its cash flows for the years ended September 30, 1996, 1995 and 1994 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New York, New York
August 15, 1997, except
for Note 9 for which
the date is September 30, 1997

GEOCAPITAL CORPORATION

BALANCE SHEETS
AS OF SEPTEMBER 30, 1996 AND 1995
(IN THOUSANDS)

	1996	1995
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 144	$ 176
Investment advisory fees receivable	3,221	3,553
Prepaid expenses	192	153
Other	85	50
Total current assets	3,642	3,932
Fixed assets, net	56	49
Total assets	$3,698	$3,981
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	$ 40	$ 35
Investment advisory fee payable	327	201
Total current liabilities	367	236
Deferred taxes payable	130	219
Investment advisory fee payable	683	482
Total other liabilities	813	701
Total liabilities	1,180	937
Commitments (Note 4)		
Stockholders' equity:		
Common stock -- par value $1 per share, 100 shares authorized, issued and outstanding	--	--
Retained earnings	2,585	3,111
	2,585	3,111
Less:		
Treasury stock, at cost, 20 shares	(67)	(67)
Total stockholders' equity	2,518	3,044
Total liabilities and stockholders' equity	$3,698	$3,981

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

GEOCAPITAL CORPORATION

STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994
(IN THOUSANDS)

	1996	1995	1994
Revenue:			
Asset based management fee	$10,568	$ 9,384	$ 9,606
Performance based management fee	1,446	1,658	2,431
Other	6	6	6
Total revenue	12,020	11,048	12,043
Expenses:			
Salaries and benefits	9,450	9,202	11,041
Occupancy	288	284	262
Marketing	948	870	1,043
Payroll and other taxes	226	221	205
Travel and entertainment	93	123	112
Pension expense	--	(155)	324
Telephone, postage and office expense	89	90	73
Performance fee expense	714	304	378
Other	497	465	364
Total expenses	12,305	11,404	13,802
Net loss before provision for income taxes	(285)	(356)	(1,759)
Income tax provision:			
Current	240	217	269
Deferred	(89)	(33)	(86)
	151	184	183
Net loss	(436)	(540)	(1,942)
Retained earnings:			
Beginning of year	3,111	3,651	5,593
Distribution to shareholder	(90)	--	--
End of year	$ 2,585	$ 3,111	$ 3,651

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

GEOCAPITAL CORPORATION

STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994
(IN THOUSANDS)

	1996	1995	1994
Cash flows provided by (used in) operating activities:			
Net loss	$(436)	$(540)	$(1,942)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	20	20	19
Deferred taxes	(89)	(33)	(86)
Changes in assets and liabilities:			
Decrease in accounts receivable	332	681	1,409
(Increase)/decrease in prepaid expenses	(39)	(69)	45
(Decrease)/increase in accounts payable and accrued expenses	5	(6)	19
(Increase)/decrease in other assets	(36)	(34)	8
(Decrease) in pension payable	--	(238)	(49)
(Decrease) in corporate taxes payable	--	--	(79)
Increase in performance fee payable	328	303	379
Net cash provided by (used in) operating activities	85	84	(277)
Cash flows from investing activities:			
Purchase of equipment	(26)	(7)	(20)
Section 444 deposit	--	--	34
Net cash provided by (used in) investing activities	(26)	(7)	14
Cash flows from financing activities:			
Distribution to shareholder	(90)	--	--
Net cash used in financing activities	(90)	--	--
Net increase (decrease) in cash and cash equivalents	(31)	77	(263)
Cash and cash equivalents:			
Beginning	176	99	362
Ending	$ 145	$ 176	$ 99
Supplemental disclosure of cash flow information:			
Income taxes paid	$ 269	$ 281	$ 298
Interest paid	$ --	$ 14	$ --

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

GEOCAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business

GeoCapital Corporation (the "Corporation") is a Subchapter S Corporation incorporated under the laws of the State of Delaware and commenced operations on July 23, 1979.

The Corporation's business is to provide investment advisory services to individuals, corporations, pension plans and non-profit organizations which are located nationwide. Advisory fees are based on a percentage of assets managed for all but two major clients for the year ended September 30, 1996 and three major clients for the years ended September 30, 1995 and 1994. For these major clients, the advisory fee is a performance based contract.

A summary of the Corporation's significant accounting policies follows:

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers cash in banks, on hand and invested in money market funds to be cash equivalents.

Revenue Recognition

The Corporation's revenue consists primarily of asset-based and performance-based investment advisory fees. Investment advisory fees from managed accounts are billed on a quarterly basis at the beginning of the quarter and recorded on a monthly basis over the quarter. Any fees collected in advance are deferred and recognized as income over the period earned.

Property and Equipment

Property and equipment is stated at cost. Property and equipment are being depreciated over its estimated useful life of 5 years using the straight-line method. Maintenance, repairs and minor renewals are expensed as incurred.

Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The principal source of deferred taxes relates to the cash basis of accounting used for tax purposes.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GEOCAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

2. PROPERTY AND EQUIPMENT:

Property and equipment for the years ended September 30, 1996 and 1995 is summarized as follows:

Furniture and fixtures	$149	$123
Accumulated depreciation	(93)	(74)
	$ 56	$ 49

3. PENSION PLAN:

For the period beginning October 1, 1983 through April 30, 1995, the Corporation had a defined benefit pension plan (the "Plan") covering substantially all of its employees. The benefits were based on years of service and the employee's compensation during the last year of employment. The Corporation's funding policy was to contribute annually the maximum amount that could be deducted for federal income tax purposes. Contributions were intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The amount contributed by the Corporation for the year ended September 30, 1994 was $238. Due to an over accrual of pension expense for the year ended September 30, 1994, the Corporation reduced pension expense by the amount of $155 for the year ended September 30, 1995. Effective April 30, 1995, the Corporation terminated its defined benefit pension plan for all employees. Upon termination of the Plan, all vested amounts were transferred into an IRA or 401(k) plan at the direction of the employees.

In addition, all Corporation employees are eligible to participate in the 401(k) plan, effective May 1, 1996. The Corporation, at its discretion, can match a portion of the employee contributions. The Corporation did not make a 401(k) contribution for the year ended September 30, 1996.

4. COMMITMENTS AND CONTINGENCIES:

The Corporation currently leases office space from Sandler Capital Management under a lease that provides for an annual expense of $220 plus additional rent for escalation charges and after hours heating and air conditioning. The lease expires on November 29, 2000. For the years ended September 30, 1994 and 1995, the Corporation had a similar lease agreement where the Corporation leased office space from Sandler Capital Management for an annual expense of $200. The lease expired on November 29, 1995. The following is a schedule of future minimum lease payments required under this lease:

	AS OF SEPTEMBER 30, 1996
1997	$ 220
1998	220
1999	220
2000	220
2001	37
Total	$ 917

5. PROVISION FOR CORPORATE INCOME TAXES:

No provision for Federal income taxes has been accrued due to the shareholders' election to be treated as an "S" Corporation for income tax purposes as of September 28, 1979. As an "S"

GEOCAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Corporation, income or loss and credits are passed to the shareholders to be reported on their individual personal income tax returns. Provision has been made for State and local taxes as follows for the years ended:

	CURRENT	DEFERRED	NET TAXES
SEPTEMBER 30, 1996			
New York State tax and surcharge	$ 5	$(39)	$(34)
Minnesota State tax	7	--	7
California State tax	4	--	4
New York City general corporation tax	224	(50)	174
Total	$240	$(89)	$151
SEPTEMBER 30, 1995			
New York State tax and surcharge	$ 1	$(11)	$(10)
California State tax	1	--	1
New York City general corporation tax	215	(22)	193
Total	$217	$(33)	$184
SEPTEMBER 30, 1994			
New York State tax and surcharge	$ 1	$(20)	$(19)
California State tax	1	--	1
Minnesota State tax	1	--	1
New York City general corporation tax	266	(66)	200
Total	$269	$(86)	$183

6. PERFORMANCE FEE PAYABLE:

The Corporation has entered into a "performance-based" investment fee contract with the State of Minnesota through June 30, 2001. As of September 30, 1996, the account's performance did not meet the "benchmark" contracted amount. As such a payable has been recorded. It is the opinion of management that the performance fee will be recovered in future years. Based on the performance, under the contract to date, the future performance fee payable is as follows:

Current portion	$ 327
Non-current portion	682
	$1,009

7. CONCENTRATION OF CREDIT RISK:

The Corporation maintains its cash balances in one major New York City bank. The balance in this account usually exceeds the insurance limit of the Federal Deposit Insurance Corporation. Two clients comprise a significant portion of the investment advisory fee receivable balance. The receivables from these two clients for the years ended September 30, 1996 and 1995 are $676, $844, respectively.

GEOCAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

8. TREASURY STOCK:

In 1982, the Corporation repurchased 20 shares of common stock from an employee in conjunction with the termination of his employment with the Corporation.

9. SUBSEQUENT EVENTS:

On August 15, 1997, Affiliated Managers Group, Inc. ("AMG"), AMG Merger Sub, Inc. (a wholly-owned subsidiary of AMG) ("Merger-Sub"), the Corporation, the stockholders of the Corporation and GeoCapital, LLC (the "LLC") entered into a definitive agreement whereby the Corporation will merge with and into Merger-Sub after the Corporation has contributed all of its assets and liabilities to the LLC, of which the Corporation is the manager member. On September 30, 1997 this transaction was completed.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Tweedy, Browne Company L.P.

We have audited the balance sheets of Tweedy, Browne Company L.P. (the "Partnership") as of December 31, 1996, September 30, 1996 and 1995, and the related statements of operations, and cash flows for the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994 and changes in partners' capital for the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996 and 1995. These financial statements are the responsibility of the Partnership'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 the Partnership as of December 31, 1996, September 30, 1996 and 1995, and the results of its operations and its cash flows for the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New York, New York
September 23, 1997, except for
Note 9 for which
the date is October 9, 1997

TWEEDY, BROWNE COMPANY L.P.

BALANCE SHEETS
AS OF DECEMBER 31, 1996, SEPTEMBER 30, 1996 AND 1995
(IN THOUSANDS)

	DECEMBER 31, 1996	SEPTEMBER 30, 1996	SEPTEMBER 30, 1995
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 4,504	$1,863	$1,357
Investment advisory fees receivable	2,656	1,960	1,302
Receivable from clearing broker	408	153	92
Other current assets	37	43	120
Total current assets	$ 7,605	4,019	2,871
Fixed assets, net	787	964	672
Deposit with Internal Revenue Service	1,538	1,538	982
Secured demand notes receivable	800	800	800
Total assets	$ 10,730	$7,321	$5,325
LIABILITIES AND PARTNERS' CAPITAL:			
Liabilities:			
Current liabilities:			
Accrued compensation	$ 728	$ 914	$ 746
Accounts payable and accrued liabilities	482	325	358
Investment advisory fee payable	80	160	34
Total current liabilities	1,290	1,399	1,138
Subordinated indebtedness	800	800	800
Total liabilities	2,090	2,199	1,938
Commitments (Note 5)			
Partners' capital:			
Limited partners	4,747	2,824	1,866
General partners	3,893	2,298	1,521
Total partners' capital	8,640	5,122	3,387
Total liabilities and partners' capital	$ 10,730	$7,321	$5,325

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

TWEEDY, BROWNE COMPANY L.P.

STATEMENTS OF OPERATIONS
FOR THE PERIOD OCTOBER 1, 1996 THROUGH DECEMBER 31, 1996 AND THE YEARS ENDED
SEPTEMBER 30, 1996, 1995 AND 1994
(IN THOUSANDS)

	DECEMBER 31,	SEPTEMBER 30,		
	1996	1996	1995	1994
Revenue:				
Asset based management fees	$8,227	$28,478	$21,195	$14,272
Commissions	1,554	5,129	3,392	4,515
Other	--	3	508	3
Total revenue	9,781	33,610	25,095	18,790
Expense:				
Salaries and benefits	540	2,321	2,393	2,146
Commissions and clearing charges	417	1,587	1,059	1,351
Occupancy	134	535	532	506
Incentive compensation and bonuses	1,100	3,290	2,574	1,839
NYC unincorporated business tax	161	829	546	407
Mutual fund expenses	42	419	470	324
Computer expenses	256	530	351	270
Investment and other purchased services	145	485	520	546
Insurance	31	261	268	274
Professional fees	60	284	237	643
Office supplies	30	206	194	163
Depreciation and amortization	219	331	155	115
Marketing	71	176	151	104
Telephone and postage	43	170	166	143
Other	116	415	386	298
Total expenses	3,365	11,839	10,002	9,129
Net income	$6,416	$21,771	$15,093	$ 9,661

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

TWEEDY, BROWNE COMPANY L.P.

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
FOR THE PERIOD OCTOBER 1, 1996 THROUGH DECEMBER 31, 1996 AND THE YEARS ENDED
SEPTEMBER 30, 1996 AND 1995
(IN THOUSANDS)

	LIMITED PARTNERS	GENERAL PARTNERS	TOTAL
Balance, September 30, 1994	$ 1,420	$ 1,420	$ 2,840
Transfer general partner to limited partner	174	(174)	--
Net income for the year ended September 30, 1995	8,339	6,754	15,093
Partners' drawings	(8,067)	(6,479)	(14,546)
Balance, September 30, 1995	1,866	1,521	3,387
Net income for the year ended September 30, 1996	11,977	9,794	21,771
Partners' drawings	(11,019)	(9,017)	(20,036)
Balance, September 30, 1996	$ 2,824	$ 2,298	$ 5,122
Net income for the period ended December 31, 1996	3,530	2,886	6,416
Partners' drawings	(1,607)	(1,291)	(2,898)
Balance, December 31, 1996	$ 4,747	$ 3,893	$ 8,640

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

TWEEDY, BROWNE COMPANY L.P.

STATEMENTS OF CASH FLOWS
FOR THE PERIOD OCTOBER 1, 1996 THROUGH DECEMBER 31, 1996
AND THE YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994
(IN THOUSANDS)

	DECEMBER 31, 1996	SEPTEMBER 30, 1996	1995	1994
Cash flows from operating activities:				
Commissions received	$ 1,299	$ 5,049	$ 3,493	$ 4,659
Asset based management fees received	7,451	27,946	20,851	14,092
Other income received	17	1	508	4
Salaries, benefits, incentive compensation and bonuses paid	(1,826)	(5,443)	(4,913)	(3,444)
Commissions and clearing charges paid	(435)	(1,567)	(1,118)	(1,445)
Occupancy tax paid	(134)	(535)	(532)	(506)
NYC unincorporated business taxes paid	--	(874)	(448)	(454)
Professional fees paid	(131)	(265)	(254)	(652)
Other operating expenses paid	(666)	(2,668)	(2,394)	(2,112)
Net cash provided by operating activities	5,575	21,644	15,193	10,142
Cash flows from investing activities:				
Capital expenditures	(42)	(622)	(277)	(109)
Deposit with the IRS	--	(557)	(326)	(214)
Decrease (increase) in other current assets	6	77	(79)	8
(Decrease) increase in other current liabilities	--	--	(15)	9
Net cash used in investing activities	(36)	(1,102)	(697)	(306)
Cash flows from financing activities:				
Cash withdrawn by partners during the year	(2,898)	(20,036)	(14,546)	(10,152)
Increase (decrease) in cash and cash equivalents	2,641	506	(50)	(316)
Cash and cash equivalents, beginning of year	1,863	1,357	1,407	1,723
Cash and cash equivalents, end of year	$ 4,504	$ 1,863	$ 1,357	$ 1,407
Reconciliation of net income to net cash provided by operating activities:				
Net income	$ 6,416	$ 21,771	$ 15,093	$ 9,661
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	219	331	155	115
Changes in assets and liabilities:				
Increase in investment advisory fees receivable	(696)	(658)	(349)	(178)
(Increase) decrease in receivable from clearing broker	(255)	(61)	41	49
Increase in other current assets	--	--	--	(6)
Increase in accounts payable, accrued liabilities and other current liabilities	(109)	261	253	501
Total adjustments	(841)	(127)	100	481
Net cash provided by operating activities	$ 5,575	$ 21,644	$ 15,193	$ 10,142

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

TWEEDY, BROWNE COMPANY L.P.

NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business

Tweedy, Browne Company L.P. (the "Partnership") is a limited partnership organized in the state of Delaware, registered with the Securities and Exchange Commission as a broker-dealer and an investment advisor, and is a member of the National Association of Securities Dealers. The partnership consists of three general partners who are also limited partners and a limited partner who retired as a general partner in 1995. The Limited Partnership Agreement (the "Agreement") provides for allocation of net profits and net losses as of the end of each fiscal period, as defined, to the General Partners and the Limited Partners in proportion to their respective interests, as defined in the Agreement.

The Partnership shall continue until July 1, 2038 unless terminated sooner as provided in the Agreement.

In September of 1993, the Partnership opened a branch office in London, England to conduct securities research in connection with foreign investments. All accounts are maintained in U.S. dollars.

A summary of the Partnership's significant accounting policies follows:

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Partnership considers cash in banks, on hand and invested in money market funds to be cash equivalents.

Revenue Recognition

The Partnership's revenue consists primarily of investment advisory fees and brokerage commissions. Investment advisory fees from managed accounts are billed on a quarterly basis at the beginning of the quarter and recorded on a monthly basis over the quarter. Investment advisory fees from domestic regulated investment companies are billed and recorded on a monthly basis. Brokerage commissions are recorded on a trade date basis and are remitted by the clearing broker on a monthly basis after necessary offsets for clearing charges and execution costs.

Property and Equipment

Property and equipment is stated at cost. Property and equipment are being depreciated over its estimated useful life ranging from 5 to 7 years using the straight-line method or an accelerated method beginning in the year it is placed in service. Leasehold improvements are amortized on a straight-line basis over their estimated useful lives or the term of the lease.

Income Taxes

Only New York City Unincorporated Business taxes have been provided since the Partnership is not subject to Federal or State income taxes. The Partnership maintains a deposit with the Internal Revenue Service required of partnership entities under Section 444 of the Internal Revenue Code as a condition of electing a fiscal year other than December 31.

TWEEDY, BROWNE COMPANY L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

Receivable From Clearing Broker

The Partnership is an introducing broker that clears its customer security transactions through Fleet Clearing Corporation on a fully disclosed basis. The Partnership pays its clearing broker a fixed ticket charge for clearing its transactions. For the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996 and 1995, amounts of $408, $153 and $92, respectively, are due from Fleet Clearing Corporation consisting principally of commissions due on transactions after deductions for clearing and other execution charges.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 1996 and September 30, 1996 and 1995 is summarized as follows:

	DECEMBER 31, 1996	SEPTEMBER 30, 1996	SEPTEMBER 30, 1995
Office equipment	$ 965	$ 931	$ 410
Furniture and fixtures	542	534	548
Leasehold improvements	491	491	491
	1,998	1,956	1,449
Accumulated depreciation	(1,211)	(992)	(777)
	$ 787	$ 964	$ 672

3. SUBORDINATED INDEBTEDNESS:

On July 1, 1989, the Partnership entered into a subordinated loan agreement with two of its general partners. In 1995, one of the general partners retired but continues as a limited partner and remains a party to the subordination agreement. The individuals each provided collateralized demand notes of $400 to the Partnership which call for interest at the rate of 6% per annum. These notes become due on September 30, 2006.

The resulting liability for repayment of such notes is subordinated to all other claims of general creditors. The loan agreement conforms to all the requirements of Appendix D to Rule 15c3-1 and is designed to qualify the borrowings as "net capital." The subordinated notes are collateralized by marketable securities of the general partners having a market value at December 31, 1996, September 30, 1996 and 1995 in excess of $5,000, $5,000 and $7,000, respectively. Interest paid on the above subordinated indebtedness amounted to $12 for the period October 1, 1996 through December 31, 1996 and $48 for each of the years ended September 30, 1996 and 1995.

TWEEDY, BROWNE COMPANY L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

4. PROFIT SHARING PLAN:

Effective September 30, 1976, the Partnership's predecessor corporation established a non-contributory profit sharing plan which covers all eligible employees of the corporation. This plan complies with the Employee Retirement Income Security Act of 1974 and the Internal Revenue code of 1985. The Partnership has adopted this plan. This plan was most recently amended on November 15, 1994 retroactive to September 30, 1989. The amounts contributed by the Partnership during the period October 1, 1996 through December 31, 1996 and for the years ended September 30, 1996, 1995 and 1994 were $171, $405, $385 and $403, respectively, of which $99, $20 and $25 were due as of December 31, 1996 and September 30, 1996 and 1995, respectively.

5. COMMITMENTS AND CONTINGENCIES:

The Partnership currently leases office space in New York, New York and London, U.K. under lease agreements expiring April 30, 1999 and April 17, 2005, respectively. With respect to the latter either party has the right to terminate by six months written notice as of April 17, 2000. Rent expense under these leases was approximately $157, $725, $728 and $642 for the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994, respectively. Future minimum rentals under these leases are as follows:

FOR THE YEAR ENDED SEPTEMBER 30	NEW YORK CITY	LONDON, U.K.
1997	$ 528	$14
1998	528	14
1999	176	14
2000	--	4
	$ 1,232	$46

These minimum rentals are subject to escalation or reduction based upon certain costs incurred by the landlord and, with respect to London, by real estate tax of approximately $11 per year for each year that the premise is actually occupied by the Partnership.

The Partnership has entered into a sublease agreement wherein it leases approximately 40% of the 7th floor area to a subtenant who pays rent to the Partnership based upon the percentage of square footage occupied to the total of the 7th floor square footage. Rent under this sublease will continue through April 30, 1999. For the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994, rental income amounted to $43, $173, $171 and $163, respectively, and is included as a reduction of the aggregate rent paid. The Partnership is also subleasing a portion of its London office.

6. RELATED PARTY TRANSACTIONS:

In addition to commissions and investment advisory fees from unrelated customers, Tweedy, Browne Company L.P. receives commission income for securities brokerage services performed for two domestic investment partnerships wherein the general partners of the Partnership are general partners and for four Passive Foreign Investment Companies wherein the general partners of the Partnership are stockholders and the Partnership is the investment advisor. For the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994, such commissions and investment advisory fees amounted to $179, $656, $421 and $657, respectively, of which $5 and $50 was owing as of December 31, 1996 and September 30, 1996, respectively. There were no amounts owed as of September 30, 1995. These commissions are

TWEEDY, BROWNE COMPANY L.P.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS)

charged on a basis which is common in the industry and which include a discount from the previously regulated rates.

Effective June 16, 1993, and December 8, 1993, respectively, the Partnership entered into distribution agreements with Tweedy, Browne Fund Inc. as the exclusive sales agent for Tweedy, Browne Global Value Fund and Tweedy, Browne American Value Fund (the "Funds"), respectively. The Partnership is also the investment advisor for the Funds. The general partners of the Partnership are officers and/or directors of Tweedy, Browne Fund Inc. For the period October 1, 1996 through December 31, 1996 and the years ended September 30, 1996, 1995 and 1994, the Partnership earned investment advisory fees from the Funds of $4,423, $13,893, $9,046 and $3,801, respectively, of which $1,534, $1,325 and $926 were owing as of December 31, 1996 and September 30, 1996 and 1995, respectively.

7. NET CAPITAL REQUIREMENT:

As a registered broker/dealer, the Partnership is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. This rule prohibits a broker-dealer from engaging in securities transactions when its aggregate indebtedness exceeds 15 times its net capital as those terms are defined in the net capital rule. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The Partnership computes its net capital under the aggregate indebtedness method permitted by the rule which requires the Partnership to maintain minimum net capital, as defined, equal to the greater of 6 2/3% of aggregate indebtedness, as defined, or $5. At December 31, 1996, September 30, 1996 and 1995, the Partnership had net capital of $6,643, $2,701 and $1,996 which was $6,605, $2,608 and $1,920 in excess of its required net capital of $37, $93 and $76, respectively. The Partnership's net capital ratio was .1942 to 1, .5178 to 1 and .5701 to 1 at December 31, 1996, September 30, 1996 and 1995, respectively.

The Partnership is exempt from the provisions of SEC Rule 15c3-3 because it does not receive any Funds or securities in connection with its activities as a broker or dealer, and does not otherwise hold funds or securities for, or owe money or securities to customers.

8. CONCENTRATION OF CREDIT RISK:

The Partnership maintains its cash balances in two major New York City banks. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation.

The majority of the Partnership's brokerage transactions, and consequently the concentration of its credit exposure, is with broker-dealers, and other financial institutions. In the event counterparties do not fulfill their obligations, the Partnership may be exposed to credit risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. The Partnership seeks to control credit risk by following an established credit approval process, monitoring credit limits, and by requiring collateral where appropriate.

9. SUBSEQUENT EVENTS:

On August 15, 1997, Affiliated Managers Group, Inc. ("AMG"), the Partnership and the partners of the Partnership entered into a definitive agreement whereby AMG will purchase a majority interest in Tweedy, Browne Company LLC which will succeed to the business of the Partnership. On October 9, 1997 this transaction was completed.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, the Company has agreed to sell to each of the U.S. Underwriters named below, and each of such U.S. Underwriters, for whom Goldman, Sachs & Co., BT Alex. Brown Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Schroder & Co. Inc. are acting as representatives, has severally agreed to purchase from the Company, the respective number of shares of Common Stock set forth opposite its name below:

UNDERWRITER	NUMBER OF SHARES OF COMMON STOCK
Goldman, Sachs & Co.	
BT Alex. Brown Incorporated	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Schroder & Co. Inc.	
Total	5,600,000

Under the terms and conditions of the Underwriting Agreement, the U.S. Underwriters are committed to take and pay for all of the shares offered hereby, if any are taken.

The U.S. Underwriters propose to offer the shares of Common Stock in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain securities dealers at such price less a concession of $ per share. The U.S. Underwriters may allow, and such dealers may reallow, a concession not in excess of $ per share to certain brokers and dealers. After the shares of Common Stock are released for sale to the public, the offering price and other selling terms may from time to time be varied by the representatives.

The Company has entered into an underwriting agreement (the "International Underwriting Agreement") with the underwriters of the International Offering (the "International Underwriters" and, together with the U.S. Underwriters, the "Underwriters") providing for the concurrent offer and sale of 1,400,000 shares of Common Stock in the International Offering outside the United States. The offering price and aggregate underwriting discounts and commissions per share for the two Offerings are identical. The closing of the Offering made hereby is a condition to the closing of the International Offering, and vice versa. The representative of the International Underwriters is Goldman Sachs International.

Pursuant to an Agreement between the U.S. and International Underwriting Syndicates (the "Agreement Between") relating to the two Offerings, each of the U.S. Underwriters named herein has agreed that, as a part of the distribution of the shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the shares of Common Stock, directly or indirectly, only in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "United States") and to U.S. persons, which term shall mean, for purposes of this paragraph: (a) any individual who is a resident of the United States or (b) any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States. Each of the International Underwriters has agreed pursuant to the Agreement Between that, as a part of the distribution of the shares offered as a part of the International Offering, and subject to certain exceptions, it will (i) not, directly or indirectly, offer, sell or deliver shares of Common Stock (a) in the United States or to any U.S. persons or (b) to any person who it believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons, and (ii) cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the International Underwriters of such number of shares of Common Stock as may be mutually agreed. The price of any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

The Company has granted the U.S. Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 840,000 additional shares of Common Stock solely to cover over-allotments, if any. If the U.S. Underwriters exercise their over-allotment option, the U.S. Underwriters have severally agreed, subject to certain conditions, to purchase approximately the same percentage thereof that the number of shares to be purchased by each of them, as shown in the foregoing table, bears to the 5,600,000 shares of Common Stock offered hereby. The Company has granted the International Underwriters a similar option to purchase up to an aggregate of 210,000 additional shares of Common Stock.

The Company has agreed, subject to certain exceptions, that during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, it will not offer, sell, contract to sell or otherwise dispose of any Common Stock (other than pursuant to employee stock option or purchase plans existing, or on the conversion or exchange of convertible or exchangeable securities or the exercise of warrants outstanding, on the date of this Prospectus) or any securities of the Company which are substantially similar to the Common Stock, or which are convertible into or exchangeable or exercisable for Common Stock or any such other securities, without the prior written consent of the representatives, except for (i) shares of Common Stock offered in connection with the Offerings and (ii) shares of Common Stock or such other securities issued as consideration in future investments, provided that such securities are made subject to such 180-day restrictions.

In connection with the Offerings, the Underwriters may purchase and sell the Common Stock in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the Offerings. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Common Stock; and syndicate short positions involve the sale by the Underwriters of a greater number of shares of Common Stock than they are required to purchase from the Company in the Offerings. The Underwriters also may impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker-dealers in respect of the Common Stock sold in the Offerings for their account may be reclaimed by the syndicate if such Common Stock is repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the Common Stock, which may be higher than the price that might otherwise prevail in the open market, and these activities, if commenced, may be discontinued at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

The representatives of the Underwriters have informed the Company that they do not expect sales to accounts over which the Underwriters exercise discretionary authority to exceed five percent of the total number of shares of Common Stock offered by them.

Prior to the Offerings, there has been no public market for the Common Stock and there can be no assurance that an active trading market will develop or be sustained to support future transactions in the shares of Common Stock sold in the Offerings. The initial public offering price will be negotiated among the Company and the representatives of the U.S. Underwriters and the International Underwriters. Among the factors to be considered in determining the initial public offering price of the Common Stock, in addition to prevailing market conditions, will be the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

In connection with the Offerings, the U.S. Underwriters have reserved up to 350,000 shares of Common Stock for sale at the initial public offering price to persons associated with the Company. The number of shares available for sale to the general public will be reduced to the extent any reserved shares are purchased. Any reserved shares not so purchased will be offered by the U.S. Underwriters on the same basis as the other shares offered hereby.

The Common Stock has been approved for listing, subject to notice of issuance, on the NYSE under the symbol "AMG". In order to meet one of the requirements for listing the Common Stock on the NYSE, the Underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The representatives of the Underwriters have in the past provided, and may in the future from time to time provide, investment banking services to AMG or one or more of the Affiliates, for which they may receive customary fees. Among other things, Goldman, Sachs & Co. recently acted as financial advisor to, and received a customary fee from, the partners of Tweedy, Browne in connection with the Tweedy, Browne Investment.

This Prospectus may be used by underwriters and dealers in connection with offers and sales of the Common Stock, including shares initially sold in the International Offering, to persons located in the United States.

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

TABLE OF CONTENTS

THROUGH AND INCLUDING , 1997 (THE 25TH DAY AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

7,000,000 SHARES

AFFILIATED

MANAGERS GROUP, INC.

COMMON STOCK

(PAR VALUE $.01 PER SHARE)

LOGO

GOLDMAN, SACHS & CO.
BT ALEX. BROWN

MERRILL LYNCH & CO.

SCHRODER & CO. INC.

REPRESENTATIVES OF THE UNDERWRITERS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION (1)

The following table sets forth the estimated expenses payable by the Company in connection with this offering (excluding underwriting discounts and commissions):

NATURE OF EXPENSE	AMOUNT
SEC Registration Fee	$ 56,107
NYSE Filing Fee	$ 95,100
NASD Filing Fee	$ 19,015
Accounting Fees and Expenses	*
Legal Fees and Expenses	*
Printing Expenses	*
Blue Sky Qualifications Fees and Expenses	*
Transfer Agent's Fee	*
Miscellaneous	*
TOTAL	$1,717,500

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(1) The amounts set forth above, except for the SEC, NYSE and NASD fees, are in each case estimated.

* To be completed by Amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

In accordance with Section 145 of the General Corporation Law of the State of Delaware, Article VII of the Company's Third Amended and Restated Certificate of Incorporation provides that no director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) in respect of certain unlawful dividend payments or stock redemptions or repurchases, or (iv) for any transaction from which the director derived an improper personal benefit. In addition, the Certificate provides that if the Delaware General Corporation Law is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Article V of the Company's Amended and Restated By-laws provides for indemnification by the Company of its directors, officers and certain non-officer employees under certain circumstances against expenses (including attorneys fees, judgments, fines and amounts paid in settlement) reasonably incurred in connection with the defense or settlement of any threatened, pending or completed legal proceeding in which any such person is involved by reason of the fact that such person is or was an officer or employee of the Company if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to criminal actions or proceedings, if such person had no reasonable cause to believe his or her conduct was unlawful.

Under Section 8(b) of each of the Underwriting Agreements filed as Exhibit 1.1 and Exhibit 1.2 hereto, the U.S. Underwriters and the International Underwriters have agreed to indemnify, under certain conditions, the Company, its directors, certain officers and persons who control the Company within the meaning of the Securities Act of 1933 against certain liabilities.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

During the past three years, the Company has issued unregistered securities to a limited number of persons, as described below. No underwriters or underwriting discounts or commissions were involved. There was no public offering in any such transaction, and the Company believes that each transaction was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), by reason of Section 4(2) thereof, based on the private nature of the transactions and the financial sophistication of the purchasers, all of whom had access to complete information concerning the Company and acquired the securities for investment and not with a view to the distribution thereof. In addition, the Company believes that the transactions described in paragraphs (4), (5) and (7) below were exempt from the registration requirements of the Securities Act, by reason of Rule 701 thereunder.

(1) On May 11, 1995, the Company issued an aggregate of 40,000 shares of the Company's Class A Convertible Preferred Stock (convertible into 2,000,000 shares of Common Stock) for an aggregate purchase price of 2,000,000 shares of the Company's Common Stock and $10 million to Advent VII L.P., Advent Atlantic and Pacific II L.P., Chestnut III Limited Partnership, Chestnut Capital International III Limited Partnership, Advent New York L.P., Advent Industrial II L.P. and TA Venture Investors Limited Partnership, William J. Nutt, Sean M. Healey and Richard E. Floor.

(2) On November 7, 1995, the Company issued an aggregate of 10,448 shares of the Company's Series B-1 Voting Convertible Preferred Stock (convertible into 522,400 shares of Common Stock) for an aggregate purchase price of $7 million to Hartford Accident and Indemnity Company, Advent VII L.P., Advent Atlantic and Pacific II L.P., Chestnut III Limited Partnership, Chestnut Capital International III Limited Partnership, Advent New York L.P., Advent Industrial II L.P. and TA Venture Investors Limited Partnership, William J. Nutt, Sean M. Healey and Richard E. Floor.

(3) On November 7, 1995, the Company issued an aggregate of 19,403 shares of the Company's Series B-2 Non-Voting Convertible Preferred Stock (convertible into 970,150 shares of Common Stock) for an aggregate purchase price of $13 million to NationsBanc Investment Corporation.

(4) On June 27, 1996, the Company issued an aggregate of 3,703 shares of the Company's Series B-1 Voting Convertible Preferred Stock (convertible into 185,150 shares of Common Stock) for an aggregate purchase price of approximately $2.48 million to certain employees and advisers of the Company and its majority-owned subsidiaries, pursuant to the Company's 1995 Stock Purchase Plans.

(5) In April 1995, the Company sold 200,000 shares of Restricted Common Stock to Mr. Healey for aggregate consideration of $400, and 25,000 shares of Restricted Common Stock to Mr. Michael A. Wilson for an aggregate consideration of $50, in each case, being the fair market value of such number of shares of Restricted Common Stock, as approved by the Board of Directors of the Company at that time. In August 1995, the Company sold 50,000 shares of Restricted Common Stock under the 1995 Plan to Mr. Chertavian for aggregate consideration of $100, being the fair market value of such number of shares of Restricted Common Stock as approved by the Board of Directors of the Company at that time. In March 1996, the Company sold 112,500 shares of Restricted Common Stock under the 1995 Plan, including sales of 25,000, 35,000, 25,000, 17,500 and 10,000 shares to Messrs. Nutt, Healey, Chertavian, Brennan and Murphy, respectively, for aggregate consideration of $500, $700, $500, $350 and $200, respectively, being the fair market value of such numbers of shares of Restricted Common Stock as approved by the Board of Directors of the Company at that time. In May 1996, the Company sold 50,000 shares of Restricted Common Stock under the 1995 Plan to Mr. Dalton for aggregate consideration of $1,000, being the fair market value of such number of shares of Restricted Common Stock as approved by the Board of Directors of the

Company at that time. In February 1997, the Company sold 50,000 shares of Restricted Common Stock under the 1995 Plan to Mr. Girvan for aggregate consideration of $10,000, being the fair market value of such number of shares of Common Stock as approved by the Board of Directors of the Company at that time.

(6) On January 2, 1997, the Company issued an aggregate 1,715 shares of Series B-1 Voting Convertible Preferred Stock (convertible into 85,750 shares of Common Stock) with a value of approximately $1.5 million as consideration for shares of capital stock of The Burridge Group Inc. in connection with the Company's investment in Burridge.

(7) In May 1997, the Company granted options to purchase an aggregate of 1,850 shares of Class A Convertible Preferred Stock (convertible into an aggregate of 92,500 shares of Common Stock) having an exercise price of $455 per share (or $9.10 per underlying share of Common Stock), including options to purchase 500, 500, 200, 300, 250 and 100 shares of Class A Convertible Preferred Stock to Messrs. Nutt, Healey, Chertavian, Dalton, Brennan and Murphy, respectively.

(8) On September 30, 1997, the Company issued an aggregate of 10,667 shares of Class D Convertible Preferred Stock (convertible into 533,331 shares of Common Stock) with a value of approximately $9.6 million in connection with the Company's investment in GeoCapital.

(9) On October 9, 1997, the Company issued an aggregate of 5,333 shares of Series C-2 Non-Voting Convertible Preferred Stock and warrants to purchase 28,000 shares of Series C-2 Non-Voting Convertible Preferred Stock (convertible into 266,650 and 1,400,000 shares of Common Stock, respectively) for an aggregate purchase price of $30 million.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits. The following is a complete list of Exhibits filed as part of this Registration Statement.

1.1	Form of Underwriting Agreement
1.2	Form of International Underwriting Agreement
**+2.1	Purchase Agreement dated August 15, 1997 by and among the Registrant, Tweedy, Browne Company L.P. and the partners of Tweedy, Browne Company L.P. (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+2.2	Agreement and Plan of Reorganization dated August 15, 1997 by and among the Registrant, AMG Merger Sub, Inc., GeoCapital Corporation, GeoCapital, LLC and the stockholders of GeoCapital Corporation (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+2.3	Stock Purchase Agreement dated as of January 17, 1996 by and among the Registrant, First Quadrant Holdings, Inc., Talegen Holdings, Inc., certain employees of First Quadrant Corp. and the other parties identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**2.4	Amendment to Stock Purchase Agreement by and among the Registrant, First Quadrant Holdings, Inc., Talegen Holdings, Inc., certain managers of First Quadrant Corp. and the Management Corporations identified therein, effective as of March 28, 1996
**+2.5	Partnership Interest Purchase Agreement dated as of June 6, 1995 by and among the Registrant, Mesirow Asset Management, Inc., Mesirow Financial Holdings, Inc., Skyline Asset Management, L.P., certain managers of Mesirow Asset Management, Inc. and the Management Corporations identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)

*2.6	Amendment, made by and among Mesirow Financial Holdings, Inc. and the Registrant, to Partnership Interest Purchase Agreement by and among the Registrant, Mesirow Asset Management, Inc., Mesirow Financial Holdings, Inc., Skyline Asset Management, L.P., certain managers of Mesirow Asset Management, Inc. and the Management Corporations identified therein, effective as of August 30, 1995
3.1	Form of Amended and Restated Certificate of Incorporation
3.2	Form of Amended and Restated By-laws
*4.1	Specimen certificate for shares of Common Stock of the registrant
**+4.2	Credit Agreement dated as of September 30, 1997 by and among Chase Manhattan Bank and the other lenders identified therein and the Registrant (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.3	Stock Purchase Agreement dated November 7, 1995 by and among the Registrant, TA Associates, NationsBank, The Hartford, and the additional parties listed on the signature pages thereto (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.4	Preferred Stock and Warrant Purchase Agreement dated August 15, 1997 between the Registrant and Chase Equity Associates (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.5	Amendment No. 1 to Preferred Stock and Warrant Purchase Agreement dated as of October 9, 1997 between the Registrant and Chase Equity Associates
*4.6	Securities Purchase Agreement dated August 15, 1997 between the Registrant and Chase Equity Associates (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.7	Securities Purchase Agreement Amendment No. 1 dated as of October 9, 1997 between the Registrant and Chase Equity Associates
*5.1	Opinion of Goodwin, Procter & Hoar LLP as to the legality of the securities being offered
*10.1	Amended and Restated Stockholders' Agreement dated October 9, 1997 by and among the Registrant and TA Associates, NationsBank, The Hartford, Chase Equity Associates and the additional parties listed on the signature pages thereto
**+10.2	Tweedy, Browne Company LLC Limited Liability Company Agreement dated October 9, 1997 by and among the Registrant and the other members identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+10.3	GeoCapital, LLC Amended and Restated Limited Liability Company Agreement dated September 30, 1997 by and among the Registrant and the members identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+10.4	First Quadrant, L.P. Amended and Restated Limited Partnership Agreement dated March 28, 1996 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*10.5	Amendment to First Quadrant, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of October 1, 1996
*10.6	Second Amendment to First Quadrant, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of December 31, 1996
**+10.7	First Quadrant U.K., L.P. Limited Partnership Agreement dated March 28, 1996 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)

**+10.8	Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement dated August 31, 1995 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*10.9	Amendment to Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of August 1, 1996
*10.10	Second Amendment to Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of December 31, 1996
*10.11	Form of Affiliated Managers Group, Inc. 1997 Stock Option and Incentive Plan
*10.12	Form of Incentive Stock Option Agreement
10.13	Affiliated Managers Group, Inc. 1995 Incentive Stock Plan
*10.14	Form of Tweedy, Browne Employment Agreement
*11.1	Statement regarding computation of per share earnings
21.1	Schedule of Subsidiaries
*23.1	Consent of Counsel (to be included in Exhibit 5.1 hereto)
23.2	Consent of Coopers & Lybrand L.L.P. (Boston)
23.3	Consent of Coopers & Lybrand L.L.P. (Chicago)
23.4	Consent of Coopers & Lybrand L.L.P. (New York)
23.5	Consent of KPMG Peat Marwick LLP
**24.1	Powers of Attorney
27.1	Financial Data Schedule

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* To be filed by subsequent amendment.
** Previously filed.
+ Certain portions of this Exhibit have been omitted pursuant to a confidential treatment request filed with the Commission. The omitted portions have been filed separately with the Commission.

(b) Financial Statement Schedules filed as part of this Registration Statement are as follows:

	PAGE
Report of Independent Certified Accountants on Schedule..........................	S-1
Report of Independent Certified Accountants on Schedule..........................	S-2

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreements certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of the Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 4 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Commonwealth of Massachusetts, on October 29, 1997.

AFFILIATED MANAGERS GROUP, INC.

By: /s/ SEAN M. HEALEY

SEAN M. HEALEY
EXECUTIVE VICE PRESIDENT

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 4 to this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
* WILLIAM J. NUTT	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	October 29, 1997
* BRIAN J. GIRVAN	Senior Vice President (Principal Financial Officer and Principal Accounting Officer)	October 29, 1997
* RICHARD E. FLOOR	Director	October 29, 1997
* ROGER B. KAFKER	Director	October 29, 1997
* P. ANDREWS MCLANE	Director	October 29, 1997
* W.W. WALKER, JR.	Director	October 29, 1997
JOHN M.B. O'CONNOR	Director	October 29, 1997

*By: /s/ NATHANIEL DALTON

NATHANIEL DALTON, ATTORNEY-IN-FACT

EXHIBIT INDEX

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1.2	Form of International Underwriting Agreement
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**+2.2	Agreement and Plan of Reorganization dated August 15, 1997 by and among the Registrant, AMG Merger Sub, Inc., GeoCapital Corporation, GeoCapital, LLC and the stockholders of GeoCapital Corporation (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+2.3	Stock Purchase Agreement dated as of January 17, 1996 by and among the Registrant, First Quadrant Holdings, Inc., Talegen Holdings, Inc., certain employees of First Quadrant Corp. and the other parties identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**2.4	Amendment to Stock Purchase Agreement by and among the Registrant, First Quadrant Holdings, Inc., Talegen Holdings, Inc., certain managers of First Quadrant Corp. and the Management Corporations identified therein, effective as of March 28, 1996
**+2.5	Partnership Interest Purchase Agreement dated as of June 6, 1995 by and among the Registrant, Mesirow Asset Management, Inc., Mesirow Financial Holdings, Inc., Skyline Asset Management, L.P., certain managers of Mesirow Asset Management, Inc. and the Management Corporations identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*2.6	Amendment, made by and among Mesirow Financial Holdings, Inc. and the Registrant, to Partnership Interest Purchase Agreement by and among the Registrant, Mesirow Asset Management, Inc., Mesirow Financial Holdings, Inc., Skyline Asset Management, L.P., certain managers of Mesirow Asset Management, Inc. and the Management Corporations identified therein, effective as of August 30, 1995
3.1	Form of Amended and Restated Certificate of Incorporation
3.2	Form of Amended and Restated By-laws
*4.1	Specimen certificate for shares of Common Stock of the registrant
**+4.2	Credit Agreement dated as of September 30, 1997 by and among Chase Manhattan Bank and the other lenders identified therein and the Registrant (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.3	Stock Purchase Agreement dated November 7, 1995 by and among the Registrant, TA Associates, NationsBank, The Hartford, and the additional parties listed on the signature pages thereto (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.4	Preferred Stock and Warrant Purchase Agreement dated August 15, 1997 between the Registrant and Chase Equity Associates (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.5	Amendment No. 1 to Preferred Stock and Warrant Purchase Agreement dated as of October 9, 1997 between the Registrant and Chase Equity Associates
*4.6	Securities Purchase Agreement dated August 15, 1997 between the registrant and Chase Equity Associates (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*4.7	Securities Purchase Agreement Amendment No. 1 dated as of October 9, 1997 between the Registrant and Chase Equity Associates
*5.1	Opinion of Goodwin, Procter & Hoar LLP as to the legality of the securities being offered

*10.1	Amended and Restated Stockholders' Agreement dated October 9, 1997 by and among the Registrant and TA Associates, NationsBank, The Hartford, Chase Capital and the additional parties listed on the signature pages thereto
**+10.2	Tweedy, Browne Company LLC Limited Liability Company Agreement dated October 9, 1997 by and among the Registrant and the other members identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+10.3	GeoCapital, LLC Amended and Restated Limited Liability Company Agreement dated September 30, 1997 by and among the Registrant and the members identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+10.4	First Quadrant, L.P. Amended and Restated Limited Partnership Agreement dated March 28, 1996 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*10.5	Amendment to First Quadrant, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of October 1, 1996
*10.6	Second Amendment to First Quadrant, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of December 31, 1996
**+10.7	First Quadrant U.K., L.P. Limited Partnership Agreement dated March 28, 1996 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
**+10.8	Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement dated August 31, 1995 by and among the Registrant and the partners identified therein (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Commission upon request)
*10.9	Amendment to Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of August 1, 1996
*10.10	Second Amendment to Skyline Asset Management, L.P. Amended and Restated Limited Partnership Agreement by and among the Registrant and the partners identified therein, effective as of December 31, 1996
*10.11	Form of Affiliated Managers Group, Inc. 1997 Stock Option and Incentive Plan
*10.12	Form of Incentive Stock Option Agreement
10.13	Affiliated Managers Group. Inc. 1995 Incentive Stock Plan
*10.14	Form of Tweedy, Browne Employment Agreement
*11.1	Statement regarding computation of per share earnings
21.1	Schedule of Subsidiaries
*23.1	Consent of Counsel (to be included in Exhibit 5.1 hereto)
23.2	Consent of Coopers & Lybrand L.L.P. (Boston)
23.3	Consent of Coopers & Lybrand L.L.P. (Chicago)
23.4	Consent of Coopers & Lybrand L.L.P. (New York)
23.5	Consent of KPMG Peat Marwick LLP
**24.1	Powers of Attorney
27.1	Financial Data Schedule

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* To be filed by subsequent amendment.

** Previously filed.

+ Certain portions of this Exhibit have been omitted pursuant to a confidential treatment request filed with the Commission. The omitted portions have been filed separately with the Commission.

EXHIBIT 1.1

AFFILIATED MANAGERS GROUP, INC.
COMMON STOCK
(PAR VALUE $.01 PER SHARE)

UNDERWRITING AGREEMENT
(U.S. VERSION)

, 1997

Goldman, Sachs & Co.,
BT Alex. Brown Incorporated,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Schroder & Co. Inc.,
As representatives of the several Underwriters
named in Schedule I hereto,
c/o Goldman, Sachs & Co.,
85 Broad Street,
New York, New York 10004.

Ladies and Gentlemen:

Affiliated Managers Group, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of 5,600,000 shares (the "Firm Shares") and, at the election of the Underwriters, up to 840,000 additional shares (the "Optional Shares") of Common Stock, par value $.01 per share ("Stock"), of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "Shares").

It is understood and agreed to by all parties that the Company is concurrently entering into an agreement (the "International Underwriting Agreement") providing for the sale by the Company of up to a total of 1,400,000 shares of Stock (the "International Shares"), including the overallotment option thereunder, through arrangements with certain underwriters outside the United States (the "International Underwriters"), for whom Goldman Sachs International, BT Alex. Brown International (a division of Bankers Trust International PLC), Merrill Lynch International and J. Henry Schroder & Co. Limited are acting as lead managers. Anything herein or therein to the contrary notwithstanding, the respective closings under this Agreement and the International Underwriting Agreement are hereby expressly made conditional on one another. The Underwriters hereunder and the International Underwriters are simultaneously entering into an Agreement between U.S. and International Underwriting Syndicates (the "Agreement between Syndicates") which provides, among other things, for the transfer of shares of Stock between the two syndicates. Two forms of prospectus are to be used in connection with the offering and sale of shares of Stock contemplated by the foregoing, one relating to the Shares hereunder and the other relating to the International Shares. The latter form of prospectus will be identical to the former except for certain substitute pages or other differences that you have approved, in the case of any preliminary prospectus used before this Agreement is executed, or that you hereafter approve, in the case of any prospectus, or any supplement or amendment thereto used after the execution of this Agreement. Except as used in Sections 2, 3, 4, 9 and 11 herein, and except as the context may otherwise require, references hereinafter to the Shares shall include all the shares of Stock which may be sold pursuant to either this Agreement or the International Underwriting Agreement, and references herein to any prospectus whether in preliminary or final form (including the Preliminary Prospectus and Prospectus as defined below), and whether as amended or supplemented, shall include both the U.S. and the international versions thereof. As used in this Agreement and the International Underwriting Agreement, the term "subsidiaries" of any person shall mean each entity, whether in corporate, partnership or other form, that is controlled, directly or indirectly, by such person or in which such person, directly or indirectly, holds at least a 30% equity interest, including, in the case of subsidiaries of the Company, each of the investment advisory and other entities (together with their respective subsidiaries) referred to as "Affiliates" in the Registration Statement (as defined below and as it may be amended).

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-34679) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, each as amended at the time such part of the registration statement became effective, is hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus";

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(c) The Registration Statement conforms, and the Prospectus (excluding the international version thereof) and any further amendments or supplements to the Registration Statement or the Prospectus (excluding the international version thereof) will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and the Registration Statement, the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto, and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(d) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, in each case affecting its properties, assets or operations, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any change in the capital stock (other than changes resulting from the exercise of stock options or warrants or conversion of preferred stock after June 30, 1997 and prior to the Time of Delivery) or any increase in the long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus;

(e) Neither the Company nor any of its subsidiaries owns any real property; the Company and its subsidiaries have good title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of the property of the Company or subsidiary, as applicable, and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(f) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation to do business and is in good standing as a foreign corporation in each jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, with such exceptions individually or in the aggregate as would not have a material adverse effect on the business affairs, management, financial position, stockholders' equity or results of operation of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect"); and each subsidiary of the Company has been duly organized or formed and is validly existing as a corporation, limited partnership, limited liability company or general partnership, as the case may be, under the laws of its jurisdiction of organization and each such subsidiary that is a corporation, limited partnership or limited liability company is in good standing under the laws of its jurisdiction of organization;

(g) The Company has an authorized capitalization as set forth in the Prospectus; upon consummation of the transactions contemplated by this Agreement and the International Underwriting Agreement, the Company will have the authorized capitalization as set forth in the Prospectus; all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description of the Stock contained in the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company which is a corporation have been duly authorized and validly issued, and are fully paid and non-assessable, and (except for directors' qualifying shares and as described generally in the Registration Statement) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims. All of the partnership interests, membership interests and shares of beneficial interest of each subsidiary of the Company which is a partnership, limited liability company or Massachusetts business trust have been validly issued in accordance with applicable law and the partnership agreement, limited liability agreement or declaration of trust, as applicable, of such subsidiary, and (except for directors' qualifying shares and as described generally in the Registration Statement) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(h) The Shares to be sold by the Company to the Underwriters hereunder will be newly issued, have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Prospectus;

(i) The issue and sale of the Shares by the Company hereunder and under the International Underwriting Agreement and the compliance by the Company with all of the provisions of this Agreement and the International Underwriting Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default or termination under, or require any consent (except such consents as will have been obtained at or prior to the time of such issue and sale) under or with respect to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, with such exceptions individually or in the aggregate as would not have a Material Adverse Effect or a material adverse effect on such compliance or consummation, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company in effect as of the time immediately preceding the relevant Time of Delivery or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, with such exceptions individually or in the aggregate as would not have a Material Adverse Effect or a material adverse effect on such compliance or consummation; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement and the International Underwriting Agreement, except the registration under the Act and the Securities Exchange Act of 1934, as amended, of the Shares, such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters and the clearance of the public offering of the Shares by the Underwriters with the National Association of Securities Dealers, Inc. (the "NASD");

(j) Neither the Company nor any of its subsidiaries is in violation of its Certificate of Incorporation or By-laws or other constituting or organizational instrument as in effect on the date hereof or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(k) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, are accurate, complete and fair;

(l) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would be reasonably likely, individually or in the aggregate, to have a Material Adverse Effect; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(m) To the extent such registration is required, each of the Company's subsidiaries has been duly registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and each such registration is in full force and effects; the Company is not required to register as an "investment adviser" within the Advisers Act and the rules and regulations of the Commission promulgated thereunder; and neither the Company nor any of its subsidiaries is and, after giving effect to the offering and sale of the Shares, neither will be, an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(n) Each of the Company's subsidiaries is duly registered, licensed or qualified as an investment adviser under state and local laws and is in compliance with all such laws requiring any such registration, licensing or qualification; the Company is not required to be registered, licensed or qualified as an investment adviser under the laws requiring any such registration, licensing or qualification in any jurisdiction in which it or its subsidiaries conduct business.

(o) The Company is not party to any investment advisory agreement or distribution agreement and is not serving or acting as an investment adviser to any person; each of the investment advisory agreements and distribution agreements to which any of the Company's subsidiaries is a party is a legal and valid obligation of such subsidiary and, to the extent subject thereto, complies with the applicable requirements of the Advisers Act, the Investment Company Act and the rules and regulations of the Commission thereunder, and no such agreement that was either in effect on December 31, 1996 or entered into by a subsidiary since December 31, 1996 has been terminated or expired, except where the failure to so comply or any such termination or expiration would not, individually or in the aggregate, have a Material Adverse Effect; none of such subsidiaries is in breach or violation of or in default under any such agreement with such exceptions individually or in the aggregate as would not have a Material Adverse Effect; and no subsidiary of the Company is serving or acting as an investment adviser to any person except pursuant to an agreement to which such subsidiary is a party and which is in full force and effect, other than any agreements the non-existence of which would not, individually or in the aggregate, have a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries;

(p) Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes; and

(q) Coopers & Lybrand L.L.P., who have certified certain financial statements of the Company and its subsidiaries, and KPMG Peat Marwick LLP, who have certified certain financial statements of First Quadrant Institutional and First Quadrant Limited, are each independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $................, the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to 840,000 Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering overallotments in the sale of the Firm Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to Goldman, Sachs & Co., for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by certified or official

bank check or checks, payable to the order of the Company in immediately available (same day) funds. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004 (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on ...., 1997 or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(k) hereof, will be delivered at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at 2:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus (excluding the international version thereof) pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its commercially reasonable best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter or dealer is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter or dealer, to prepare and deliver to such Underwriter or dealer as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder and under the International Underwriting Agreement, any Stock or securities of the Company that are substantially similar to the Stock, or which are convertible into or exchangeable or exercisable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option or stock purchase plans existing on, or upon the conversion or exchange of convertible or exchangeable securities, or the exercise of warrants, outstanding as of, the date of this Agreement, and other than shares of Stock or such other securities issued as consideration in investments or acquisitions made by the Company or any of its subsidiaries, provided that such securities are made subject to the same 180-day restriction), without your prior written consent;

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration

Statement), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds";

(i) To use its commercially reasonable best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the "Exchange");

(j) To file with the Commission such reports on Form SR as may be required by Rule 463 under the Act; and

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act.

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the International Underwriting Agreement, the Agreement between Syndicates, the Selling Agreements, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents printed or produced by or on behalf of the Company in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey (iv) all fees and expenses in connection with listing the Shares on the New York Stock Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the NASD of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their

counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed, in all material respects, all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement;

(b) Sullivan & Cromwell, counsel for the Underwriters, shall have furnished to you such opinion or opinions, dated such Time of Delivery, with respect to the incorporation and good standing of the Company, the Shares being delivered at such Time of Delivery, this Agreement, the Registration Statement and the Prospectus as well as such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Goodwin, Procter & Hoar LLP, counsel for the Company, shall have furnished to you their written opinion and letter in substantially the form of Annex II-A and II-B hereto;

(d) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Coopers & Lybrand L.L.P. and KPMG Peat Marwick, LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to you, to the effect set forth in Annex I-1 and l-2 hereto (the executed copy of the letter delivered prior to the execution of this Agreement is attached as Annex I(a) -1 and l(a)-2 hereto and a draft of the form of letter to be delivered on the effective date of any post-effective amendment to the Registration Statement and as of each Time of Delivery is attached as Annex I(b)-1 and 1(b)-2 hereto);

(e)(i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, in each case affecting its properties, assets or operations, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock (other than changes resulting from the exercise of stock options or warrants or conversion of preferred stock after June 30, 1997 and prior to the Time of Delivery) or any increase in the long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the business affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in Clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(f) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock;

(g) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this Clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(i) The Company has obtained and delivered to the Underwriters executed copies of an agreement from all of its stockholders substantially to the effect set forth in Subsection 5(e) hereof in form and substance satisfactory to you;

(j) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(k) The Company shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company satisfactory to you as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) of this Section and as to such other matters as you may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the

Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares purchased under this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Shares purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives at 85 Broad Street, New York, New York 10004, Attention: Registration Department; and if to the Company shall be delivered or sent by mail to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us four counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

Affiliated Managers Group, Inc.

By: ___________________________________
Name:
Title:

Accepted as of the date hereof:

Goldman, Sachs & Co.
BT Alex. Brown Incorporated
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Schroder & Co. Inc.

By: Goldman, Sachs & Co.

____
(Goldman, Sachs & Co.)

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
BT Alex. Brown Incorporated		
Merrill Lynch, Pierce, Fenner & Smith Incorporated		
Schroder & Co. Inc.		
[NAMES OF OTHER UNDERWRITERS]		
Total		

Pursuant to Section 7(d) of the Underwriting Agreement, Coopers & Lybrand shall furnish letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements and any supplementary financial information and schedules (and, if applicable, financial forecasts and/or pro forma financial information) examined by them and included in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited consolidated interim financial statements, selected financial data, pro forma financial information, financial forecasts and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such letter, as indicated in their reports thereon, copies of which have been furnished to the representatives of the Underwriters (the "Representatives");

(iii) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus as indicated in their reports thereon copies of which have been separately furnished to the Representatives and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vi)(A)(i) below comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, nothing came to their attention that cause them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations;

(iv) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the five most recent fiscal years included in the Prospectus agrees with the corresponding amounts (after restatements where applicable) in the audited consolidated financial statements for such five fiscal years which were included or incorporated by reference in the Company's Annual Reports on Form 10-K for such fiscal years;

(v) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulation S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform in all material respects with the disclosure requirements of Items 301, 302, 402 and 503(d), respectively, of Regulation S-K;

(vi) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included in the Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(A) (i) the unaudited consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, or (ii) any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus for them to be in conformity with generally accepted accounting principles;

(B) any other unaudited income statement data and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included in the Prospectus;

(C) the unaudited financial statements which were not included in the Prospectus but from which were derived any unaudited condensed financial statements referred to in Clause (A) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in Clause (B) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included in the Prospectus;

(D) any unaudited pro forma consolidated condensed financial statements included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(E) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest financial statements included in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with amounts shown in the latest balance sheet included in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(F) for the period from the date of the latest financial statements included in the Prospectus to the specified date referred to in Clause (E) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for decreases or increases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(vii) In addition to the examination referred to in their report(s) included in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives, which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus, or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

Pursuant to Section 7(d) of the Underwriting Agreement, KPMG Peat Marwick, LLP shall furnish Letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to First Quadrant Institutional and First Quadrant Limited within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements of First Quadrant Institutional and First Quadrant Limited examined by them and included in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder.

ANNEX II-A
- ----------

[Form of Goodwin, Procter & Hoar LLP opinion to Underwriters]

_________ __, 1997

Goldman, Sachs & Co.,
BT Alex. Brown Incorporated,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Schroder & Co., Inc.

As Representatives ("U.S. Representatives")
of the Several U.S. Underwriters
("U.S. Underwriters"),
c/o Goldman, Sachs & Co.,
85 Broad Street
New York, NY 10004

Goldman Sachs International,
BT Alex. Brown International,
a division of Bankers Trust International PLC
Merrill Lynch International,
J. Henry Schroder & Co. Limited,

As Representatives ("International Representatives")
of the Several International Underwriters
("International Underwriters"),
c/o Goldman Sachs International,
Peterborough Court
133 Fleet Street
London EC4A 2BB
England

Ladies and Gentlemen:

In connection with the several purchases by the U.S. Underwriters named in Schedule 1 to the Underwriting Agreement dated _______, 1997 (the "U.S. Underwriting Agreement"), among Affiliated Managers Group, Inc., a Delaware corporation (the "Company"), and the U.S. Representatives, as representatives of the several U.S. Underwriters named therein (the "U.S. Underwriters"), and the related several purchases by the International Underwriters named in Schedule 1 to the International Underwriting Agreement dated _______, 1997 (the "International Underwriting Agreement"), among the Company and the International Representatives, as representatives of the several International Underwriters (the "International Underwriters") named therein, of _______ shares (the "Shares") of the Company's Common Stock, par value $.01 per share (the "Common Stock"), we, as counsel for the Company, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion. (The U.S. Underwriting Agreement and the International Underwriting Agreements are together herein referred to as the "Underwriting Agreements," and the U.S. Underwriters and the International Underwriters are collectively herein referred to as the "Underwriters.")

With your approval, we have relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by us to be responsible. Also with your approval, we have assumed that the certificates for the Shares conform to the specimen thereof examined by us and have been duly countersigned by the transfer agent and duly registered by the registrar of the Common Stock, and have further assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents, and the legal capacity of natural persons, assumptions which we have not independently verified. In addition, in giving our opinion in paragraph (iv) below, (a) insofar as it relates to the shares of capital stock of First Quadrant Corp., we have relied with your permission upon the opinion of ____________________________________, and (b) insofar as it relates to the shares of capital stock of The Burridge Group Inc., we have relied with your permission upon the opinion of Sonnenschein, Nath & Rosenthal, copies of which opinions have been provided to you.

In rendering the opinions expressed below, we express no opinion other than as to the Federal laws of the United States, the laws of the Commonwealth of Massachusetts, the General Corporation Law of Delaware, the Limited Liability Company Act of Delaware, the Delaware Revised Uniform Limited Partnership Act and the Delaware Uniform Partnership Law.

Based on and subject to the foregoing, we are of the opinion that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of Delaware, with corporate power to own its properties and conduct its business as described in the Registration Statement filed by the Company with the Securities and Exchange Commission (No. 333-34679) (the "Registration Statement").

(ii) The authorized capital stock of the Company is as set forth in the Registration Statement under the first paragraph of "Description of Capital Stock--Authorized and Outstanding Capital Stock;" all of the issued shares of capital stock of the Company (including the Shares) have been duly authorized and, when the Shares are paid for by the Underwriters in accordance with the Underwriting Agreements, will be validly issued, fully paid and non-assessable.

(iii) The Company has been duly qualified as a foreign corporation to do business and is in good standing in Massachusetts, Ohio, Missouri and North Dakota.

(iv) Each subsidiary of the Company identified on Exhibit A hereto ("Subsidiary") is an existing corporation, limited liability company, limited partnership, general partnership or association with transferable shares (commonly known as a "Massachusetts business trust"), as the case may be; each such Subsidiary which is a corporation, limited liability company, limited partnership or Massachusetts business trust is in good standing under the laws of its jurisdiction of organization; all of the issued and outstanding shares of capital stock of each Subsidiary which is a corporation held by the Company or a Subsidiary have been duly authorized and validly issued, and are fully paid and non-assessable; and the Company or a Subsidiary is the record owner of all of the issued and outstanding shares of capital stock of each Subsidiary which is a corporation. All of the partnership interests, membership interests and shares of beneficial interest of each Subsidiary which is a partnership, limited liability company or Massachusetts business trust have been validly issued in accordance with applicable law and the partnership agreement, limited liability agreement or declaration of trust, as applicable, of such Subsidiary; and the Company or a Subsidiary is the record owner of the partnership interest, membership interest or shares of beneficial interest indicated on Exhibit A attached hereto of each such Subsidiary.

(v) Each of the Underwriting Agreements has been duly authorized, executed and delivered by the Company;

(vi) The Registration Statement has become effective under the Securities Act of 1933, as amended (the "Act"); and, to the best of our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated.

(vii) To the best of our knowledge, no authorization, approval or consent of any court or governmental agency or body is required to be obtained by the Company in connection with the execution and delivery of the Underwriting Agreements by the Company or the issuance, sale and delivery of the Shares to the Underwriters, except the registration of the Shares under the Act and the rules and regulations of the Securities and Exchange Commission thereunder and except as may be required by the National Association of Securities Dealers, Inc. (as to which we do not express an opinion) or under the securities or Blue Sky laws of any jurisdiction (as to which we do not express an opinion).

(viii) The issuance, sale and delivery of the Shares to the Underwriters pursuant to the Underwriting Agreements will not (a) result in any violation of the provisions of the Certificate of Incorporation or by-laws of the Company, (b) conflict with or result in a breach or violation on the part of the Company of any of the terms or provisions of, or constitute a default under, any of the agreements identified on Exhibit B hereto, or (c) to the best of our knowledge, result in a violation on the part of the Company of any applicable statute or regulation.

(ix) Each Subsidiary identified on Exhibit C hereto is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and none of such Subsidiaries is required to be registered, licensed or qualified as an investment adviser under state or local laws in the United States. The Company is not required to register as an investment adviser within the meaning of the Advisers Act and the rules and regulations of the Commission promulgated thereunder. Neither the Company nor any Subsidiary is an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

The opinions set forth herein are based upon currently existing statutes, rules and regulations and judicial decisions and is rendered as of the date hereof, and we disclaim any obligation to advise you of any change in any of the foregoing sources of law or subsequent developments in law or changes in facts or circumstances which might affect any matters or opinions set forth herein.

The opinions set forth herein are furnished by us as counsel for the Company to you as Representatives of the several Underwriters and is solely for the benefit of the several Underwriters.

Very truly yours,

Goodwin, Procter & Hoar LLP

ANNEX II-B
- ----------

[Form of Goodwin, Procter & Hoar LLP letter to Underwriters]

___________ __, 1997

Goldman, Sachs & Co.,
BT Alex. Brown Incorporated,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Schroder & Co., Inc.

As Representatives ("U.S. Representatives")
of the Several U.S. Underwriters
("U.S. Underwriters"),
c/o Goldman, Sachs & Co.,
85 Broad Street
New York, NY 10004

Goldman Sachs International,
BT Alex. Brown International,
a division of Bankers Trust International PLC
Merrill Lynch International,
J. Henry Schroder & Co. Limited,

As Representatives ("International Representatives")
of the Several International Underwriters
("International Underwriters"),
c/o Goldman Sachs International,
Peterborough Court
133 Fleet Street
London EC4A 2BB
England

Ladies and Gentlemen:

This is with reference to the registration under the Securities Act of 1933 (the "Act") of_______shares of the Common Stock, par value $.01 per share, of Affiliated Managers Group, Inc. (the "Company"). When the Company's Registration Statement (No. 333-34679) (the "Registration Statement") was declared effective by the Securities and Exchange Commission, the form of prospectus included therein omitted certain information in reliance upon Rule 430A under the Act. Such information is contained in the Prospectus dated _______ __, 1997 relating to the initial offering of the Securities (the "Prospectus") and, as provided in Rule 430A, is deemed to be a part of the Registration Statement as of the time it was declared effective. [The Prospectus also updates or supplements certain information contained in the Registration Statement.]

As counsel to the Company, we reviewed the Registration Statement and the Prospectus, participated in discussions with your representatives, those of counsel for the several U.S. Underwriters and International Underwriters (collectively, the "Underwriters"), and those of the Company and its accountants, and advised the Company as to the requirements of the Act and the applicable rules and regulations thereunder. Between the effectiveness of the Registration Statement and the time of the delivery of this letter, we participated in further discussions with your representatives, those of counsel for the several U.S. Underwriters and International Underwriters, and those of the Company and its accountants, and we reviewed certain certificates of officers of the Company and public officials and letters from the Company's independent accountants delivered to you today.

On the basis of the information that we gained in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law and the experience we have gained through our practice under the Act, we confirm to you that, in our opinion, the Registration Statement, as of its effective date, and the Prospectus, as of the date of the Prospectus, appeared on their face to be appropriately responsive in all material respects to the requirements of the Act and the applicable rules and regulations of the Securities and Exchange Commission thereunder. Further, nothing that came to our attention in the course of such review has caused us to believe that the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of the date of the Prospectus, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Also, nothing that has come to our attention in the course of the procedures described in the second sentence of the preceding paragraph has caused us to believe that the Prospectus, as of the date and time of delivery of this letter, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of circumstances under which they were made, not misleading.

In addition, we do not know of any litigation or any governmental proceeding instituted or threatened against the Company or its subsidiaries that would be required to be disclosed in the Prospectus and is not so disclosed. Also, we do not know of any documents that are required to be filed as exhibits to the Registration Statement and are not so filed or of any documents that are required to be summarized in the Prospectus and are not so summarized.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the registration process are such, however, that we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus except for those made under the captions "Description of Capital Stock," and "Business -- Government Regulation" in the Prospectus insofar as they describe provisions, therein described, of documents governed by the Delaware General Corporation Law, of the Investment Advisers Act of 1940, as amended, or the Investment Company Act of 1940, as amended. Also, we do not express any opinion or belief as to the financial statements or other financial data contained in the Registration Statement or the Prospectus.

This letter is furnished by us as counsel for the Company to you as U.S. Representatives of the several U.S. Underwriters and as International Representatives of the International Underwriters, respectively, and is solely for the benefit of the several U.S. Underwriters and International Underwriters.

Very truly yours,

Goodwin, Procter & Hoar LLP

EXHIBIT 1.2

AFFILIATED MANAGERS GROUP, INC.

COMMON STOCK
(PAR VALUE $.01 PER SHARE)

Underwriting Agreement
(International Version)

, 1997

Goldman Sachs International,
BT Alex. Brown International, a
division of Bankers Trust International PLC,
Merrill Lynch International,
J. Henry Schroder & Co. Limited,
As representatives of the several Underwriters
named in Schedule I hereto,
Peterborough Court,
133 Fleet Street,
London EC4A 2BB, England.

Ladies and Gentlemen:

Affiliated Managers Group, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of 1,400,000 shares (the "Firm Shares") and, at the election of the Underwriters, up to 210,000 additional shares (the "Optional Shares") of Common Stock, par value $.01 per share, (the "Stock") of the Company (the Firm Shares and the Optional Shares which the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "Shares").

It is understood and agreed to by all parties that the Company is concurrently entering into an agreement, a copy of which is attached hereto (the "U.S. Underwriting Agreement"), providing for the offering by the Company of up to a total of 5,600,000 shares of Stock (the "U.S. Shares") including the overallotment option thereunder through arrangements with certain underwriters in the United States (the "U.S. Underwriters"), for whom Goldman, Sachs & Co., BT Alex. Brown Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Schroder & Co. Inc. are acting as representatives. Anything herein and therein to the contrary notwithstanding, the respective closings under this Agreement and the U.S. Underwriting Agreement are hereby expressly made conditional on one another. The Underwriters hereunder and the U.S. Underwriters are simultaneously entering into an Agreement between U.S. and International Underwriting Syndicates (the "Agreement between Syndicates") which provides, among other things, for the transfer of shares of Stock between the two syndicates and for consultation by the Lead Managers hereunder with Goldman, Sachs & Co. prior to exercising the rights of the Underwriters under Section 7 hereof. Two forms of prospectus are to be used in connection with the offering and sale of shares of Stock contemplated by the foregoing, one relating to the Shares hereunder and the other relating to the U.S. Shares. The latter form of prospectus will be identical to the former except for certain substitute pages or other differences that you have approved, in the case of any preliminary prospectus used before this Agreement is executed, or that you hereafter approve, in the case of any amendment or supplement thereto used after the execution of this Agreement. Except as used in Sections 2, 3, 4, 9 and 11 herein, and except as the context may otherwise require, references hereinafter to the Shares shall include all of the shares of Stock which may be sold pursuant to either this Agreement or the U.S. Underwriting Agreement, and references herein to any prospectus whether in preliminary or final form, and whether as amended or supplemented, shall include both of the U.S. and the international versions thereof.

In addition, this Agreement incorporates by reference certain provisions from the U.S. Underwriting Agreement (including the related definitions of terms, which are also used elsewhere herein) and, for purposes of applying the same, references (whether in these precise words or their equivalent) in the incorporated provisions to the "Underwriters" shall be to the Underwriters hereunder, to the "Shares" shall be to the Shares hereunder as just defined, to "this Agreement" (meaning therein the U.S. Underwriting Agreement) shall be to this Agreement (except where this Agreement is already referred to or as the context may otherwise require) and to the representatives of the Underwriters or to Goldman, Sachs & Co. shall be to the addressees of this Agreement and to Goldman Sachs International ("GSI"), and, in general, all such provisions and defined terms shall be applied mutatis mutandis as if the incorporated provisions were set forth in full herein having regard to their context in this Agreement as opposed to the U.S. Underwriting Agreement.

1. The Company hereby makes with the Underwriters the same representations, warranties and agreements as are set forth in Section 1 of the U.S. Underwriting Agreement, which Section is incorporated herein by this reference.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $......, the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to 210,000 Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering overallotments in the sale of the Firm Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by GSI of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus and in the forms of Agreement among Underwriters (International Version) and Selling Agreements, which have been previously submitted to the Company by you. Each Underwriter hereby makes to and with the Company the representations and agreements of such Underwriter as a member of the selling group contained in Sections 3(d) and 3(e) of the form of Selling Agreements.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as GSI may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to GSI, for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by certified or official bank check or checks, payable to the order of the Company in New York Clearing House (next day) funds. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of GSI, 85 Broad Street, New York, New York 10004 (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on ...., 1997 or such other time and date as GSI and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by GSI in the written notice given by GSI of the Underwriters' election to purchase such Optional Shares, or such other time and date as GSI and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 of the U.S. Underwriting Agreement, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(k) of the U.S. Underwriting Agreement hereof, will be delivered at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at 2:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company hereby makes to the Underwriters the same agreements as are set forth in Section 5 of the U.S. Underwriting Agreement, which Section is incorporated herein by this reference.

6. The Company and the Underwriters hereby agree with respect to certain expenses on the same terms as are set forth in Section 6 of the U.S. Underwriting Agreement, which Section is incorporated herein by this reference.

7. Subject to the provisions of the Agreement between Syndicates, the obligations of the Underwriters hereunder shall be subject, in their discretion, at each Time of Delivery, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and additional conditions identical to those set forth in Section 7 of the U.S. Underwriting Agreement, which Section is incorporated herein by this reference.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through GSI expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through

GSI expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares purchased under this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Shares purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus relating to such Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligation of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Section 6 and Section 8 hereof, but, if for any other reason any Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through GSI for all out-of-pocket expenses approved in writing by GSI, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter in respect of the Shares not so delivered except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by GSI on your behalf.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Underwriters in care of GSI, Peterborough Court, 133 Fleet Street, London EC4A 2BB, England, Attention: Equity Capital Markets, Telex No. 94012165, facsimile transmission No. (071) 774-1550; and if to the Company shall be delivered or sent by registered mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by GSI upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters (International Version), the form of which shall be furnished to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

Affiliated Managers Group, Inc.

By: ___________________________________
Name:
Title:

Accepted as of the date hereof:

Goldman Sachs International
BT Alex. Brown International, a
division of Bankers Trust International PLC,
Merrill Lynch International
J. Henry Schroder & Co. Limited

By: ____________________________________
(Attorney-in-fact)
On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman Sachs International...................		
BT Alex. Brown International, a division of Bankers Trust International PLC..........		
Merrill Lynch International..................		
J. Henry Schroder & Co. Limited...............		
[Other Underwriters]		
Total		

EXHIBIT 3.1

FORM OF

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

AFFILIATED MANAGERS GROUP, INC.

AFFILIATED MANAGERS GROUP, INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

1. The name of the Corporation is Affiliated Managers Group, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was December 29, 1993.

2. This Amended and Restated Certificate of Incorporation amends, restates and integrates the provisions of the Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November __, 1997 (as heretofore amended, the "Amended and Restated Certificate of Incorporation") and was duly adopted by the written consent of the stockholders of the Corporation, with written notice thereof having been given to all stockholders of the Corporation who have not given their written consent, if any, all in accordance with the applicable provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

3. The text of the Amended and Restated Certificate of Incorporation is hereby restated in its entirety to provide as herein set forth in full.

ARTICLE I

NAME

The name of the Corporation is Affiliated Managers Group, Inc.

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSES

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have the authority to issue is Forty Eight Million (48,000,000) shares, of which (a) Five Million (5,000,000) shares shall be undesignated preferred stock, par value $.01 per share (the "Undesignated Preferred Stock"), and (b) Forty Three Million (43,000,000) shares shall be common stock, par value $.01 per share (the "Common Shares"), of which (i) Forty Million (40,000,000) shares shall be designated Voting Common Stock ("Common Stock") and (ii) Three Million (3,000,000) shares shall be designated Class B Non-Voting Common Stock ("Class B Common Stock"). As set forth in this Article IV, the Board of Directors or any authorized committee thereof is authorized from time to time to establish and designate one or more series of Undesignated Preferred Stock, to fix and determine the variations in the relative rights, preferences and powers as between the different series of Undesignated Preferred Stock in the manner hereinafter set forth in this Article IV, and to fix or alter the number of shares comprising any such series and the designation thereof to the fullest extent permitted by law.

The number of authorized shares of the class of Undesignated Preferred Stock may from time to time be increased or decreased (but not below the number of shares outstanding) by the affirmative vote of the holders of a majority of the Common Shares entitled to vote, without a vote of the holders of the Undesignated Preferred Stock.

The designations, powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article IV.

A. UNDESIGNATED PREFERRED STOCK

Subject to any limitations prescribed by law, the Board of Directors or any authorized committee thereof is expressly authorized to provide for the issuance of the shares of Undesignated Preferred Stock in one or more series of such stock, and by filing a certificate pursuant to applicable law of the State of Delaware, to establish or change from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereof. Any action by the Board of Directors or any authorized committee thereof under this Part A shall require the affirmative vote of a majority of the directors then in office or a majority of the members of such committee. The Board of Directors or any authorized committee thereof shall have the right to determine or fix one or more of the following with respect to each series of Undesignated Preferred Stock to the fullest extent permitted by law:

(a) The distinctive serial designation and the number of shares constituting such series;

(b) The dividend rates or the amount of dividends to be paid on the shares of such series, whether dividends shall be cumulative and, if so, from which date or dates, the payment date or dates for dividends, and the participating and other rights, if any, with respect to dividends;

(c) The voting powers, full or limited, if any, of the shares of such series;

(d) Whether the shares of such series shall be redeemable and, if so, the price or prices at which, and the terms and conditions on which, such shares may be redeemed;

(e) The amount or amounts payable upon the shares of such series and any preferences applicable thereto in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(f) Whether the shares of such series shall be entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of such shares, and if so entitled, the amount of such fund and the manner of its application, including the price or prices at which such shares may be redeemed or purchased through the application of such fund;

(g) Whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation and, if so convertible or exchangeable, the conversion price or prices, or the rate or rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(h) The price or other consideration for which the shares of such series shall be issued;

(i) Whether the shares of such series which are redeemed or converted shall have the status of authorized but unissued shares of Undesignated Preferred Stock (or series thereof) and whether such shares may be reissued as shares of the same or any other class or series of stock; and

(j) Such other powers, preferences, rights, qualifications, limitations and restrictions thereof as the Board of Directors or any authorized committee thereof may deem advisable.

B. COMMON SHARES

Section 1. General. Except as otherwise expressly provided herein, all shares of Common Stock and Class B Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

Section 2. Voting. Each holder of record shall be entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation. The holders of Class B Common Stock shall not have any right to vote, except as required under applicable law and, except as required by law, the holders of Common Stock and Class B Common Stock shall vote together as a single class on all matters as to which holders of Class B Common Stock are entitled to vote as set forth herein. Except as required by law or as set forth herein, the holders of Common Shares (to the extent permitted by this Section 2) and Undesignated Preferred Stock (to the extent permitted by Part A hereof) shall vote together as a single class on all matters submitted to the stockholders for a vote.

Section 3. Dividends. Subject to applicable law, the holders of Common Shares shall be entitled to receive dividends out of funds legally available therefor at such times and in such amounts as the Board of Directors may determine in its sole discretion, with each share of Common Stock and each share of Class B Common Stock sharing share-for-share in such dividends (with each share of Class B Common Stock being equal to the number of shares of Common Stock into which it would then be convertible on the record date for such dividend) except that if dividends are declared which are payable in shares of Common Stock or Class B Common Stock, dividends shall be declared which are payable at the equivalent rate in both classes of stock and the dividends payable in shares of Common Stock shall be payable to the holders of that class of stock and the dividends payable in shares of Class B Common Stock shall be payable to the holders of that class of stock.

Section 4. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), after the payment or provision for payment of all debts and liabilities of the Corporation and all preferential amounts to which the holders of Undesignated Preferred Stock are entitled with respect to the distribution of assets in liquidation, the holders of Common Shares shall be entitled to share ratably (with each share of Class B Common Stock being equal to the number of shares of Common Stock into which it would then be convertible on the effective date of such Liquidation Event) in the remaining assets of the Corporation available for distribution.

Section 5. Conversion of Class B Common Stock.

(a) Right to Convert. Subject to and upon compliance with the provisions of this Section 5, each share of Class B Common Stock shall be convertible, at the option of the holder thereof, into fully paid and non-assessable shares of Common Stock at the rate of one share of Common Stock for each share of Class B Common Stock so converted (the "Class B Common Conversion Rate"); provided, that such conversion is not inconsistent with any regulation, rule or other requirement of any governmental authority applicable to such holder at the time of such conversion, as evidenced by a certificate of such holder upon which the Corporation shall be entitled to rely absolutely, and which holder will indemnify the Corporation for any losses, costs or expenses arising from the Corporation's reliance on such certificate.

(b) Notice of Conversion. Each holder of Class B Common Stock shall be entitled to convert shares of Class B Common Stock if such holder provides a written request for conversion to the Corporation at least ten (10) business days prior to the date on which such holder desires to convert his Class B Common Stock stating the date on which such holder desires to convert his Class B Common Stock, which notice shall be binding and irrevocable on the holder and, to the extent the holder otherwise complies with the provision of this Section 5, the Corporation. No share or shares of the Class B Common Stock acquired by the Corporation by reason of conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue. The Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Class B Common Stock accordingly.

(c) Surrender of Certificates. Each conversion of shares of Class B Common Stock into shares of Common Stock shall be effected by the surrender of the certificate or certificates representing the shares of Class B Common Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), at the principal executive office of the Corporation or the offices of the transfer agent for the Common Shares or such office or offices in the continental United States of an agent for conversion as may from time to time be designated by notice to the holders of the Class B Common Stock by the Corporation together with written notice by the holder of such Class B Common Stock stating that such holder desires to convert the shares, or a stated number of the shares, of Class B Common Stock represented by such certificate, into Common Stock, which notice shall also state the name or names (with addresses) and denominations in which the certificate or certificates for Common Stock shall be issued and shall include instructions for delivery thereof. Upon surrender of a certificate representing Class B Common Stock for conversion, the Corporation shall issue and send by hand delivery, by courier or by first class mail (postage prepaid) to the holder thereof or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing Class B Common Stock, only part of which are to be converted, the Corporation shall issue and send to such holder or such holder's designee, in the manner set forth in the preceding sentence, a new certificate or certificates representing the number of shares of Class B Common Stock which shall not have been converted. If the certificate or certificates for Common Stock are to be issued in a name other than the name of the registered holder of the stock surrendered for conversion, the Corporation shall not be obligated to issue or deliver any certificate unless and until the holder of the stock surrendered has paid to the Corporation the amount of any tax that may be payable in respect of any transfer involved in such issuance or has established to the satisfaction of the Corporation that such tax has been paid.

(d) Effective Date of Conversion. Such conversion shall be deemed to have been effected as of the later of (i) the close of business on the date on which such certificate or certificates shall have been surrendered or (ii) the date on which the holder shall have fully complied with the provisions of this Section 5, and at such time the rights of the holder of such Class B Common Stock (or specified portion thereof) as to such converted shares shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

(e) Reservation of Common Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of issuance upon the conversion of the Class B Common Stock, such number of shares of Common Stock as are issuable upon the conversion of all outstanding shares of Class B Common Stock.

Section 6. Adjustments.

(a) Changes in Common Stock. In the event the Corporation shall (i) pay a dividend in or make a distribution in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of its shares of Common Stock any shares of the Corporation, the Class B Common Conversion Rate in effect immediately prior thereto shall be adjusted so that the holder of a share of Class B Common Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock which it would have owned or have been entitled to receive after the happening of any of the events described above had such share of Class B Common Stock been converted on or immediately prior to the record date for such dividend or the effective date of such subdivision, combination or reclassification, as the case may be.

(b) Changes in Class B Common Stock. In the event that the Corporation shall (i) pay a dividend in or make a distribution in shares of its Class B Common Stock, (ii) subdivide its outstanding shares of Class B Common Stock, (iii) combine its outstanding shares of Class B Common Stock into a smaller number of shares, or (iv) issue by reclassification of its shares of Class B Common Stock any shares of the Corporation, the Class B Common Conversion Rate in effect immediately prior thereto shall be adjusted so that the holder of a share of Class B Common Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock which it would have owned or have been entitled to receive after the happening of any of the events described above had such share of Class B Common Stock been converted on or immediately prior to the record date for such dividend or the effective date of such subdivision, combination or reclassification, as the case may be.

(c) General. An adjustment made pursuant to this Section 6 shall become effective immediately after the record date (in the case of a dividend or distribution in shares of capital stock) and shall become effective immediately after the effective date (in the case of a subdivision, combination or reclassification). No adjustment in accordance with this Section 6 shall be required unless such adjustment would require an increase or decrease in any conversion rate of at least 0.1%; provided, however, that any adjustments which by reason of this clause are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

Section 7. Notices. In the event that the Corporation provides any notice, report or statement to the holders of Common Stock or Class B Common Stock (in their capacity as such), the Corporation shall at the same time provide a copy of any such notice, report or statement to each record holder of outstanding Class B Common Stock and each record holder of Common Stock.

ARTICLE V

STOCKHOLDER ACTION

Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders and may not be taken or effected by a written consent of stockholders in lieu thereof.

ARTICLE VI

DIRECTORS

Section 1. General.

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

Section 2. Election of Directors.

Election of Directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

Section 3. Terms of Directors.

The number of Directors of the Corporation shall be fixed by resolution duly adopted from time to time by the Board of Directors. At each annual meeting of stockholders, Directors shall be elected by a plurality of the votes cast at such meeting and shall hold office for a term expiring at the next annual meeting of stockholders held. The Directors so elected shall hold office until their successors are duly elected and qualified or until their earlier resignation or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article IV of this Restated Certificate of Incorporation, the holders of any one or more series of Undesignated Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation and any certificate of designations applicable thereto.

During any period when the holders of any series of Undesignated Preferred Stock have the right to elect additional Directors as provided for or fixed pursuant to the provisions of Article

IV hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors of the Corporation shall automatically be increased by such specified number of Directors, and the holders of such Undesignated Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to such Director's earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Undesignated Preferred Stock having such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total and authorized number of Directors of the Corporation shall be reduced accordingly.

Section 4. Vacancies.

Subject to the rights, if any, of the holders of any series of Undesignated 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 5. Removal.

Subject to the rights, if any, of any series of Undesignated Preferred Stock to elect Directors and to remove any Director whom the holders of any such stock have the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) only with cause and (ii) only by the affirmative vote of at least two-thirds of the total votes which would be eligible to be cast by stockholders in the election of such Director. At least thirty (30) days prior to any meeting of stockholders at which it is proposed that any Director be removed from office, written notice of such proposed removal shall be sent to the Director whose removal will be considered at the meeting.

ARTICLE VII

LIMITATION OF LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended after the effective date of this Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Any repeal or modification of this Article VII by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a person serving as a director at the time of such repeal or modification.

ARTICLE VIII

AMENDMENT OF BY-LAWS

Section 1. Amendment by Directors

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

Section 2. Amendment by Stockholders

The By-laws of the Corporation 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 at least two-thirds of the total votes eligible to be cast on such amendment or repeal by holders of voting stock, 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 total votes eligible to be cast on such amendment or repeal by the holders of voting stock, voting together as a single class.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Restated Certificate of Incorporation in the manner now or hereafter prescribed by statute and this Restated Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation. No amendment or repeal of this Restated Certificate of Incorporation shall be made unless the same is first approved by the Board of Directors pursuant to a resolution adopted by the Board of Directors in accordance with Section 242 of the DGCL, and, except as otherwise provided by law, thereafter approved by the stockholders. Whenever any vote of the holders of voting stock is required, and in addition to any other vote of holders of voting stock that is required by this Restated Certificate of Incorporation or by law, the affirmative vote of a majority of the total votes eligible to be cast by holders of voting stock with respect to such amendment or repeal, voting together as a single class, at a duly constituted meeting of stockholders called expressly for such purpose shall be required to amend or repeal any provisions of this Restated Certificate of Incorporation; provided, however, that the affirmative vote of not less than 80% of the total votes eligible to be cast by holders of voting stock, voting together as a single class, shall be required to amend or repeal any of the provisions of Article V, Article VI, Article VII or Article IX of this Restated Certificate of Incorporation.

I, William J. Nutt, President and Chief Executive Officer of the Corporation, for the purpose of restating the Corporation's Amended and Restated Certificate of Incorporation pursuant to the General Corporation Law of the state of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed on behalf of the Corporation this ___ day of November, 1997.

William J. Nutt
President and Chief Executive Officer

ATTEST:

- ------------------------------
Name: Nathaniel Dalton
Title: Secretary

EXHIBIT 3.2

FORM OF

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.

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 as required by this Section 2 to the

Secretary of the Corporation and (ii) be present at such meeting, either in person or by a representative. For the first Annual Meeting following the initial public offering of common stock of the Corporation, 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 (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. For all subsequent 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.

For purposes of these By-laws, "public announcement" shall mean: (a) disclosure in a press release reported by the Dow Jones News Service, Associated Press 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.

A stockholder's notice to the Secretary shall set forth as to each matter proposed to be brought before an Annual Meeting: (i) a brief description of the business the stockholder desires to bring before such Annual Meeting and the reasons for conducting such business at such Annual Meeting, (ii) the name and address, as they appear on the Corporation's stock transfer books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation's capital stock beneficially owned by the stockholder proposing such business, (iv) 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, (v) 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, and (vi) 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.

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 this By-Law, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (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 and 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. 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 8. Action at Meeting. When a quorum is present, any matter before any meeting of stockholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at such meeting and entitled to vote on such matter, except where a larger vote is required by law, by the Certificate or by these By-laws. Any election by stockholders shall be determined by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors, except where a larger vote is required by law, by the Certificate or by these By-laws. 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 9. 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 10. 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, 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. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 11. 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 General Corporation Law of the State of Delaware, as amended from time to time (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 writing to the Secretary of the Corporation as set forth in this Section 3. For the first Annual Meeting following the initial public offering of common stock of the Corporation, 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 (i) the 75th day prior to the scheduled date of such Annual Meeting or (ii) the 15th day following the day on which public announcement of the date of such Annual Meeting is first made by the Corporation. For all subsequent 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.

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, and (4) the consent of each nominee to serve as a director if elected. A stockholder's notice to the Secretary shall further set forth as to the stockholder giving such notice: (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, and (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.

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. 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 shall be provided for use at the Annual Meeting.

SECTION 4. Qualification. No director need be a stockholder 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 otherwise provides.

SECTION 8. Regular Meetings. The regular annual meeting of the Board of Directors shall be held, without notice other than this Section 8, on the same date and at the same place as the Annual Meeting following the close of such meeting of stockholders. 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. 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.

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 Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant 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 following the Annual Meeting of stockholders, 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 following the next Annual Meeting of stockholders 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. 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 11. 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 12. Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant 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 13. 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 14. 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 15. 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 shareholders 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 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 October __, 1997 and effective as of November __, 1997.

EXHIBIT 10.13

AFFILIATED MANAGERS GROUP, INC.
1995 INCENTIVE STOCK PLAN
AS AMENDED MAY __, 1997

1. PURPOSE

This Stock Option and Grant Plan (the "Plan") is intended as a performance incentive for officers, employees, consultants and other key persons of Affiliated Managers Group, Inc. (the "Company") or its Subsidiaries (as hereinafter defined) to enable the persons to whom options are granted (the "Optionees") or to whom shares of Company Stock (as defined in Section 3(a)) are granted or sold (the "Grantees") to acquire or increase a proprietary interest in the success of the Company. The Company intends that this purpose will be effected by the granting of "incentive stock options" ("Incentive Options") as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), nonqualified stock options ("Nonqualified Options") and outright issuances of Company Stock under the Plan. The term "Subsidiaries" includes any corporations in which stock possessing fifty percent or more of the total combined voting power of all classes of stock is owned directly or indirectly by the Company.

2. OPTIONS AND STOCK TO BE ISSUED AND ADMINISTRATION

(a) Options granted under the Plan may be either Incentive Options or Nonqualified Options, and shall be designated as such at the time of grant. To the extent that any option intended to be an Incentive Option shall fail to qualify as an "incentive stock option" under the Code, such option shall be deemed to be a Nonqualified Option. Outright issuances of Company Stock under the Plan and/or Company Stock issued upon exercise of options may be subject to the terms and conditions of stock restriction provisions, including vesting and repurchase provisions, which provisions may be part of the Optionee's option agreement or may be part of a separate agreement. Stock restriction provisions shall be in such form as the Committee (as such term is defined below) shall from time to time deem appropriate. Stock restriction provisions need not be identical.

(b) The Plan shall be administered by a committee (the "Committee") of not less than two directors of the Company appointed by the Board of Directors of the Company (the "Board of Directors") or, if no such committee is then in existence, by the Board of Directors which shall then be included in the defined term "Committee" for all purposes of the Plan. It is the intention of the Company that each member of the Committee shall be a "non-employee director" as that term is defined and interpreted pursuant to Rule 16b-3 or any successor rule thereto promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Action by the Committee shall require the affirmative vote of a majority of all its members.

(c) Subject to the terms and conditions of the Plan, the Committee shall have the power:

(i) To determine from time to time the options or stock to be issued to eligible persons under the Plan and to prescribe the terms and provisions (which need not be identical) of options or stock issued under the Plan to such persons;

(ii) To construe and interpret the Plan and issuances thereunder and to establish, amend, and revoke rules and regulations for administration of the Plan. In this connection, the Committee may correct any defect or supply any omission, or reconcile any inconsistency in the Plan, in any option agreement or stock restriction agreement, or in any related agreements, in the manner and to the extent it shall deem necessary or expedient to make the Plan fully effective with all decisions and determinations by the Committee in the exercise of this power to be final and binding upon the Company, Optionees and Grantees; and

(iii) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company with respect to the Plan.

3. STOCK

(a) The stock issued under the Plan, or subject to the options granted under the Plan, shall be shares of the Company's authorized but unissued Common Stock, par value $.01 per share (the "Common Stock") or shares of the Company's authorized but unissued Class A Voting Convertible Preferred Stock, par value $.01 per share (the "Class A Stock" and, together with the Common Stock the "Company Stock"), as determined in the discretion of the Board of Directors or the Committee, as applicable. The total number of shares that may be issued under the Plan (whether pursuant to outright issuances or options) shall not exceed an aggregate of that number of shares of Company Stock as is equal to or convertible into 8,500 shares of Common Stock, which may include up to 1,950 shares of Class A Stock. Such numbers shall be subject to adjustment as provided in Section 9 hereof.

(b) Shares purchased upon the exercise of options granted under the Plan or upon outright issuances of Company Stock may be subject to limitations, such as limitations on transfer, repurchase provisions, and the like, as set forth in the relevant option agreement, stock restriction agreement or in any other agreement to which the Optionee or Grantee is subject.

(c) Whenever any outstanding option under the Plan expires, is canceled or is otherwise terminated (other than by exercise), or whenever any shares of Company Stock issued under the Plan are repurchased, the shares of Company Stock allocable to the unexercised portion of such Option or the repurchased shares of Company Stock, as the case may be, may again be the subject of options or issuances under the Plan.

4. ELIGIBILITY

(a) Incentive Options may be granted only to officers or other full-time employees of the Company or its Subsidiaries, including members of the Board of Directors who are also full-time employees of the Company or its Subsidiaries. Nonqualified Options and shares of Company Stock may be granted or issued to officers or other employees of the Company or its Subsidiaries, including members of the Board of Directors who are also employees of the Company or its Subsidiaries, and to consultants and other key persons who provide services to the Company or its Subsidiaries (regardless of whether they are also employees).

(b) No person shall be eligible to receive any Incentive Option under the Plan if, at the date of grant, such person beneficially owns stock representing in excess of ten percent of the voting power of all outstanding capital stock of the Company or its parent or a Subsidiary, unless notwithstanding anything in this Plan to the contrary (i) the purchase price for stock subject to such option is at least 110% of the fair market value of such stock at the time of the grant determined as provided below and (ii) the option by its terms is not exercisable more than five years from the date of grant thereof.

(c) Notwithstanding any other provision of the Plan, the aggregate fair market value (determined as of the time the option is granted) of the stock with respect to which Incentive Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company and its parent and Subsidiaries) shall not exceed $100,000. Any option granted under the Plan in excess of the foregoing limitation shall be deemed a Nonqualified Option.

5. TERMS OF THE OPTION AGREEMENTS

Subject to the terms and conditions of the Plan, each option agreement shall contain such provisions as the Committee shall from time to time deem appropriate. Option agreements need not be identical, but each option agreement by appropriate language shall include the substance of all of the following provisions:

(a) Expiration; Termination of Employment. Notwithstanding any other provision of the Plan or of any option agreement, each option shall expire on the date specified in the option agreement, which date in the case of any Incentive Option shall not be later than the tenth anniversary of the date on which the option was granted (subject to Section 4(b)). The Committee may in its discretion specify, at the time an option is granted under the Plan and subject to the agreement of the applicable Optionee thereafter, a period or periods within which such option may be exercised following retirement of the Optionee or termination of the Optionee's employment with the Company or Subsidiaries; if any, for any reason, or upon the happening of any other event.

(b) Minimum Shares Exercisable. Option agreements may in the discretion of the Committee set forth shares with respect to which an option may be exercised at any one time.

(c) Options may be exercisable in such installments (which need not be equal) and at such time or times (including upon the occurrence of such event or events) as may be designated by the Committee. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the option expires.

(d) Purchase Price. The purchase price per share of Company Stock subject to each option shall be determined by the Committee; provided, however, that the purchase price per share subject to each Incentive Option shall be not less than the fair market value of the relevant stock on the date such Incentive Option is granted. For the purposes of the Plan, the fair market value of the shares subject to options granted hereunder shall be determined in good faith by the Committee; provided, however, that (i) if the Common Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on the date the option is granted, the fair market value of each share of Common Stock subject to such Incentive Option shall not be less than the average of the highest bid and lowest asked prices of the Common Stock on NASDAQ reported for such date, or (ii) if the Common Stock is admitted to trading on a national securities exchange or the NASDAQ National Market System on the date the option is granted, the fair market value of each share of Common Stock subject to such Incentive Options shall not be less than the closing price reported for the Common Stock on such exchange or system for such date or, if no sales were reported for such date, for the last date preceding such date for which a sale was reported and provided, further that in the case of (i) or (ii) above, the fair market value of each share of Class A Stock shall be determined on an "as converted basis" by reference to the fair market value (as determined pursuant to clause (i) or (ii), as applicable) of the Common Stock into which it is convertible, with appropriate adjustments reflect the differences between Class A Stock and Common Stock, as determined by the Committee.

(e) Rights of Optionees. No Optionee shall be deemed for any purpose to be the owner of any shares of Company Stock subject to any option unless and until (i) the option shall have been exercised pursuant to the terms thereof, (ii) all requirements under applicable law and regulations shall have been complied with to the satisfaction of the Company, (iii) the Company shall have issued and delivered the shares to the Optionee, and (iv) the Optionee's name shall have been entered as a stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting (if applicable), dividend and other ownership rights with respect to such shares of Company Stock.

(f) Transfer. No option granted hereunder shall be transferable by the Optionee other than by will or by the laws of descent and distribution, and such option may be exercised during the Optionee's lifetime only by the Optionee, or his or her guardian or legal representative.

6. METHOD OF EXERCISE; PAYMENT OF PURCHASE PRICE

(a) Any option granted under the Plan may be exercised by the Optionee in whole or, subject to Section 5(b) hereof, in part by delivering to the Company on any business day a written notice specifying the number of shares of Company Stock the Optionee then desires to purchase (the "Notice").

(b) Payment for the shares of Company Stock purchased pursuant to the exercise of an option shall be made either: (i) in cash, or by certified or bank check or other payment acceptable to the Company, equal to the option exercise price for the number of shares specified in the Notice (the "Total Option Price"); (ii) if authorized by the applicable option agreement and if permitted by law, by delivery of shares of Company Stock that the optionee has held for at least six months and that are free of any transfer restrictions having a fair market value, determined by reference to the provisions of Section 5(d) hereof, equal to or less than the Total Option Price, plus cash in an amount equal to the excess, if any, of the Total Option Price over the fair market value of such shares of Company Stock; (iii) if authorized by the applicable option agreement, by delivery of a promissory note, in form and substance acceptable to the Committee, in a principal amount equal to the Total Option Price; or (iv) if any event contemplated in Section 5(a)(i) or (ii) has occurred, by the Optionee delivering the Notice to the Company together with irrevocable instructions to a broker to promptly deliver the Total Option Price to the Company in cash or by other method of payment acceptable to the Company; provided, however, that the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity or other agreements as the Company shall prescribe as a condition of payment under this clause (iv).

(c) The delivery of certificates representing shares of Company Stock to be purchased pursuant to the exercise of an option will be contingent upon the Company's receipt of the Total Option Price and of any written representations from the Optionee required by the Committee, and the fulfillment of any other requirements contained in the option agreement or applicable provisions of law.

7. STOCK AWARDS

(a) The Committee may grant stock to any employee or consultant of the Company or a Subsidiary. A grant of restricted stock is a grant entitling the Grantee to acquire, at a purchase price determined by the Committee, shares of Company Stock subject to such restrictions and conditions as the Committee may determine at the time of grant ("Restricted Stock").

(b) A Grantee shall have no rights with respect to a grant of Restricted Stock unless such Grantee shall have accepted the grant by making payment to the Company, in a form acceptable to the Committee, in an amount equal to the specified purchase price of the Restricted Stock covered by the Grant, and by executing and delivery to the Company a written instrument that sets forth the terms and conditions of the Restricted Stock covered by the grant, in such form as the Committee shall determine with respect to such grant. Unless the Committee shall otherwise determine, certificates evidencing shares of Restricted Stock shall remain in the possession of the Company until such shares are no longer subject to restrictions.

(c) Upon complying with Section 7(b) above, a Grantee who received Restricted Stock shall have all the rights of a shareholder with respect to the Restricted Stock including voting and dividend rights, subject to non-transferability restrictions and Company repurchase or forfeiture rights described herein and subject to such other conditions contained in the written instrument evidencing the Restricted Stock grant.

(d) Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in the written instrument evidencing the Restricted Stock grant. Except as otherwise specifically provided in the written instrument evidencing the Restricted Stock grant, in the event of termination of employment by the Company and its Subsidiaries for any reason (including death, disability, normal retirement and with or without cause), the Company shall have the right, at the discretion of the Committee, to repurchase shares of Restricted Stock with respect to which conditions have not lapsed, at their purchase price, or to require forfeiture of such shares to the Company if acquired at no cost, from the participant or the participant's legal representative.

(e) The Committee at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture thereof shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the share on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested."

(f) The Committee may, in its sole discretion, grant (or sell at a purchase price determined by the Committee) to any employees of the Company or any Subsidiary shares of Stock free of any restrictions under the Plan ("Unrestricted Stock"). Subject to applicable laws, shares of Unrestricted Stock may be granted or sold as described in the preceding sentence in respect of any valid consideration. The right to receive either Restricted Stock or Unrestricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered, other than by will or the laws of descent and distribution.

8. NON-TERMINATION EVENTS

For the purpose of the plan, an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, shall not be deemed a termination of the Optionee's employment with the Company or its Subsidiaries if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides.

9. ADJUSTMENT UPON CHANGES IN CAPITALIZATION

(a) If the shares of the Company's Common Stock and/or Class A Stock as a whole are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company, whether through merger, consolidation, reorganization, recapitalization, reclassification, stock dividend, stock split, combination of shares, exchange of shares, change in corporate structure or the like, an appropriate and proportionate adjustment shall be made in the number and kind of shares subject to the Plan, and in the number, kind, and per share exercise price of shares subject to unexercised options or portions thereof granted prior to any such change. In the event of any such adjustment in an outstanding option, the Optionee thereafter shall have the right to purchase the number of shares under such option at the per share price, as so adjusted, which the Optionee could purchase at the total purchase price applicable to the option immediately prior to such adjustment.

(b) Adjustments under this Section 9 shall be determined by the Committee and such determinations shall be conclusive. The Committee shall have the discretion and power in any such event to determine and to make effective provision for acceleration of the time or times at which any option or portion thereof shall become exercisable.

10. EFFECT OF CERTAIN TRANSACTIONS

In the case of (i) the dissolution or liquidation of the Company, (ii) a merger, reorganization or consolidation in which the Company is acquired by another person or entity (other than a holding company formed by the Company), (iii) the sale of all or substantially all of the assets of the Company to another person or entity, or (iv) the sale of all of the stock of the Company to an unrelated person or entity, the Plan and the options issued hereunder shall terminate upon the effectiveness of any such transaction or event, unless provision is made in connection with such transaction for the assumption of options theretofore granted, or the substitution for such options of new options of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and the per share exercise prices, as provided in Section 9. In the event of such termination, each Optionee shall be permitted to exercise for a period of at least fifteen days prior to the date of such termination (i) all options held by such Optionee which are then exercisable, and (ii) such number of additional options held by such Optionee, to the extent such options are not then exercisable, as may be specified in the relevant option agreement, if any.

11. TAX WITHHOLDING

Each Optionee and Grantee shall, no later than the date as of which the value of any option or stock issued hereunder or of any Company Stock issued upon the exercise or such option first becomes includible in the gross income of the Optionee or Grantee for federal income tax purposes (the "Tax Date"), pay to the Company, or make arrangements satisfactory to the Company regarding payment of any federal, state, or local taxes of any kind required by law to be withheld with respect to such income.

12. AMENDMENT OF THE PLAN

The Board of Directors may discontinue the Plan or amend the Plan at any time, and from time to time, subject to any required regulatory approval and the limitation that, except as provided in the second sentence of Section 5(a) and in Sections 9 and 10 hereof, no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law and regulations at an annual or special meeting held before or after the date of adoption of such amendment, where such amendment will:

(a) increase the number of shares of Company Stock which may be issued, or as to which Options may be granted, under the Plan; or

(b) change in substance Section 4 hereof relating to eligibility to participate in the Plan.

Except as provided in the second sentence of Section 5(a) and in Sections 9 and 10 hereof, rights and obligations under any option or stock issued before any amendment of the Plan shall not be altered or impaired by such amendment, except with the consent of the Optionee or Grantee, as the case may be.

13. NONEXCLUSIVITY OF THE PLAN

Neither the adoption of the Plan by the Board of Directors nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board of Directors to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock or stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases. Neither the Plan nor any grant of stock or any option hereunder shall be deemed to confer upon any Grantee, Optionee or other employee any right to continued employment with the Company or its Subsidiaries or interfere in any way with any right of the Company or any of its Subsidiaries to terminate the employment of an Optionee, Grantee or other employee at any time.

14. GOVERNMENT AND OTHER REGULATIONS; GOVERNING LAW

(a) The obligation of the Company to deliver shares of Company Stock issued, and sell and deliver shares of Company Stock with respect to options granted, under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(b) The Plan shall be governed by Delaware law, except to the extent that such law is preempted by federal law.

15. EFFECTIVE DATE OF PLAN; STOCKHOLDER APPROVAL

The Plan shall become effective upon the date that it is approved by the Board of Directors of the Company; provided, however, that the Plan shall be subject to the approval of the Company's stockholders in accordance with applicable laws and regulations at an annual or special meeting held within twelve months of such effective date. No options granted under the Plan prior to such stockholder approval may be exercised until such approval has been obtained. No options may be granted under the Plan after the tenth anniversary of the effective date of the Plan.

Adopted as of November 28, 1995
Amended as of May __, 1997

EXHIBIT 21.1

LIST OF SUBSIDIARIES
(in alphabetical order)

WHOLLY OWNED SUBSIDIARIES OF THE REGISTRANT

AMG/TBC Holdings, Inc., a Delaware corporation

AMG Service Corp., a Delaware corporation

AMG Finance Trust, a Massachusetts business trust (through AMG Service Corp.)

The Burridge Group Inc., an Illinois corporation

First Quadrant Corp., a New Jersey corporation (through First Quadrant Holdings, Inc.)

First Quadrant Holdings, Inc., a Delaware corporation

GeoCapital Corporation, a Delaware corporation

J M H Management Corporation, a Delaware corporation

Suite 3000 Holdings, Inc., a Delaware corporation

ENTITIES IN WHICH THE REGISTRANT HAS A MAJORITY INTEREST (DIRECT AND INDIRECT)

First Quadrant, L.P., a Delaware limited partnership (through First Quadrant Corp.)

First Quadrant U.K., L.P., a Delaware limited partnership (through First Quadrant Corp.)

First Quadrant Limited, a U.K. corporation (through First Quadrant U.K., L.P.)

GeoCapital, LLC, a Delaware limited liability company (through GeoCapital Corporation)

Gofen and Glossberg, L.L.C., a Delaware limited liability company

J.M. Hartwell Limited Partnership, a Delaware limited partnership

Renaissance Investment Management, a Delaware partnership

Skyline Asset Management, L.P., a Delaware limited partnership

Systematic Financial Management, L.P., a Delaware limited partnership

The Burridge Group LLC, a Delaware limited liability company (through The Burridge Group Inc.)

Tweedy, Browne Company LLC, a Delaware limited liability company

ENTITIES IN WHICH THE REGISTRANT HAS A MINORITY INTEREST

Paradigm Asset Management Company, L.L.C., a Delaware limited liability company

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in Pre-Effective Amendment No. 4 to the registration statement on Form S-1 (File No. 333-34679) of our report dated April 26, 1997, except for Note 16 for which the date is October 27, 1997, on our audits of the financial statements of Affiliated Managers Group, Inc. We also consent to the references to our firm under the captions "Experts", "Summary Historical and Pro Forma and Financial Data" and "Selected Historical Financial Data."

/s/ COOPERS & LYBRAND L.L.P.

Coopers & Lybrand L.L.P.

Boston, Massachusetts

October 29, 1997

EXHIBIT 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in Pre-Effective Amendment No. 4 to the registration statement on Form S-1 (File No. 333-34679) of our reports dated August 8, 1997 and August 15, 1997, on our audits of the financial statements of The Burridge Group Inc. and Gofen and Glossberg, Inc., respectively. We also consent to the references to our firm under the captions "Experts", "Summary Historical and Pro Forma and Financial Data" and "Selected Historical Financial Data".

/s/ COOPERS & LYBRAND L.L.P.

Coopers & Lybrand L.L.P.

Chicago, Illinois

October 29, 1997

EXHIBIT 23.4

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in Pre-Effective Amendment No. 4 to the registration statement on Form S-1 (File No. 333-34679) of our reports dated September 23, 1997, except for Note 9 for which the date is October 9, 1997, and August 15, 1997, except for Note 9 for which the date is September 30, 1997, on our audits of the financial statements of Tweedy, Browne Company L.P. and GeoCapital Corp. We also consent to the references to our Firm under the captions "Experts", "Summary Historical and Pro Forma and Financial Data" and "Selected Historical Financial Data".

/s/ COOPERS & LYBRAND L.L.P.

Coopers & Lybrand L.L.P.

New York, New York

October 29, 1997

EXHIBIT 23.5

ACCOUNTANTS' CONSENT

The Board of Directors
First Quadrant:

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in the Prospectus.

/s/ KPMG PEAT MARWICK LLP

KPMG Peat Marwick LLP

Los Angeles, California

October 29, 1997

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1996 AND ITS UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS.

1,000

YEAR	6-MOS
DEC-31-1996	DEC-31-1997
JAN-01-1996	JAN-01-1997
DEC-31-1996	JUN-30-1997
6,767	13,297
0	0
15,491	12,158
0	0
0	0
23,064	26,027
5,013	6,037
(2,014)	(2,181)
101,335	113,769
23,591	13,108
33,400	48,900
0	0
42,476	46,976
5	15
(5,514)	(4,808)
36,989	39,189
50,384	32,870
50,384	32,870
0	0
43,213	27,168
0	0
0	0
2,747	1,707
(1,208)	801
181	95
(1,389)	706
0	0
(983)	0
0	0
(2,372)	706
(0.21)	0.10
(0.21)	0.10