

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-13459

AFFILIATED MANAGERS GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3218510

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification Number)

Two International Place, Boston, Massachusetts 02110

(Address of principal executive offices)

(617) 747-3300

(Registrant's telephone number, including area code)

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

The number of shares outstanding of the Registrant's Common Stock as of
November 10, 2000 was 22,237,181.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	December 31, 1999	September 30, 2000
	-----	----- (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 53,879	\$ 49,971
Investment advisory fees receivable.....	239,383	63,960
Other current assets	6,705	8,991
	-----	-----
Total current assets.....	299,967	122,922
Fixed assets, net.....	12,321	21,520
Equity investment in Affiliate.....	1,563	1,970
Acquired client relationships, net of accumulated amortization of \$23,202 in 1999 and \$31,522 in 2000.....	186,499	201,142
Goodwill, net of accumulated amortization of \$36,103 in 1999 and \$47,664 in 2000.....	385,382	445,798
Other assets.....	23,341	21,276
	-----	-----
Total assets.....	\$ 909,073	\$ 814,628
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 170,299	\$ 83,298
	-----	-----
Total current liabilities.....	170,299	83,298
Senior bank debt.....	174,500	182,000
Deferred taxes.....	25,346	31,602
Other long-term liabilities.....	1,346	2,456
Subordinated debt.....	800	800
	-----	-----
Total liabilities.....	372,291	300,156
Minority interest.....	58,796	26,848
Commitments and contingencies.....	---	---
Stockholders' equity:		
Common stock.....	235	235
Additional paid-in capital.....	405,883	407,063
Accumulated other comprehensive income.....	(55)	(255)
Accumulated earnings.....	83,857	125,727
	-----	-----
Less treasury shares.....	489,920	532,770
	(11,934)	(45,146)
Total stockholders' equity.....	477,986	487,624
	-----	-----
Total liabilities and stockholders' equity.....	\$ 909,073	\$ 814,628
	=====	=====

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	2000	1999	2000
Revenues.....	\$ 85,395	\$118,205	\$ 232,099	\$ 343,898
Operating expenses:				
Compensation and related expenses.....	30,808	48,485	81,522	133,054
Amortization of intangible assets.....	5,649	6,828	16,500	19,881
Depreciation and other amortization...	861	1,170	2,752	3,107
Selling, general and administrative...	13,655	15,002	36,824	50,389
Other operating expenses.....	2,168	2,879	6,162	7,711
	53,141	74,364	143,760	214,142
Operating income.....	32,254	43,841	88,339	129,756
Non-operating (income) and expenses:				
Investment and other income.....	(881)	(1,174)	(2,539)	(3,394)
Interest expense.....	2,699	4,082	8,955	12,071
	1,818	2,908	6,416	8,677
Income before minority interest and income taxes.....	30,436	40,933	81,923	121,079
Minority interest.....	(12,714)	(16,564)	(35,288)	(50,115)
Income before income taxes.....	17,722	24,369	46,635	70,964
Income taxes.....	7,266	9,991	19,120	29,094
Net income.....	\$ 10,456	\$ 14,378	\$ 27,515	\$ 41,870
Earnings per share - basic.....	\$ 0.45	\$ 0.65	\$ 1.26	\$ 1.87
Earnings per share - diluted.....	\$ 0.45	\$ 0.64	\$ 1.22	\$ 1.84
Average shares outstanding - basic.....	23,282,559	22,142,194	21,876,944	22,349,998
Average shares outstanding - diluted.....	23,403,540	22,642,345	22,517,737	22,763,049

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1999	2000	1999	2000
Net income	\$ 10,456	\$ 14,378	\$ 27,515	\$ 41,870
Foreign currency translation adjustment, net of taxes	104	(52)	(11)	(200)
Comprehensive income	\$ 10,560	\$ 14,326	\$ 27,504	\$ 41,670

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

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	For the Nine Months Ended September 30,	
	1999	2000
	-----	-----
Cash flow from operating activities:		
Net income.....	\$ 27,515	\$ 41,870
Adjustments to reconcile net income to net cash flow from operating activities:		
Amortization of intangible assets.....	16,500	19,881
Depreciation and other amortization.....	2,752	3,107
Deferred income tax provision.....	7,165	6,256
Changes in assets and liabilities:		
Decrease in investment advisory fees receivable.....	30,708	184,405
Increase in other current assets.....	(2,864)	(2,181)
Decrease in non-current other receivables.....	---	3,203
Decrease in accounts payable, accrued expenses and other liabilities.....	(2,932)	(91,455)
Decrease in minority interest.....	(3,660)	(31,948)
	-----	-----
Cash flow from operating activities.....	75,184	133,138
	-----	-----
Cash flow used in investing activities:		
Purchase of fixed assets.....	(3,985)	(10,261)
Costs of investments, net of cash acquired.....	(101,382)	(101,379)
Distributions received from affiliate equity investment.....	366	---
Increase in other assets.....	(1,381)	(426)
Loans to related parties.....	(3,137)	(233)
	-----	-----
Cash flow used in investing activities.....	(109,519)	(112,299)
	-----	-----
Cash flow from (used in) financing activities:		
Borrowings of senior bank debt.....	138,800	172,500
Repayments of senior bank debt.....	(171,800)	(165,000)
Repayments of notes payable.....	(22,000)	---
Issuances of equity securities.....	101,322	7,603
Repurchase of stock.....	---	(39,635)
Debt issuance costs.....	(180)	(15)
	-----	-----
Cash flow from (used in) financing activities.....	46,142	(24,547)
	-----	-----
Effect of foreign exchange rate changes on cash flow.....	(13)	(200)
Net increase (decrease) in cash and cash equivalents.....	11,794	(3,908)
Cash and cash equivalents at beginning of period.....	23,735	53,879
	-----	-----
Cash and cash equivalents at end of period.....	\$ 35,529	\$ 49,971
	=====	=====
Supplemental disclosure of non-cash financing activities:		
Conversion of convertible stock to common stock.....	\$ 30,992	\$ ---
Common stock received for the exercise of stock options.....	\$ ---	\$ 1,027
Capital lease obligations for fixed assets.....	\$ ---	\$ 1,514

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

1. BASIS OF PRESENTATION

The consolidated financial statements of Affiliated Managers Group, Inc. (the "Company" or "AMG") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The year end condensed balance sheet data was derived from audited financial statements, but does not include all of the disclosures required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior year amounts have been reclassified to conform to the current year presentation. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 includes additional information about AMG, its operations, and its financial position, and should be read in conjunction with this quarterly report on Form 10-Q.

2. RECENT DEVELOPMENTS

Statement of Financial Accounting Standards ("SFAS") No. 137, which amended the effective date of SFAS No. 133 - Accounting for Derivative Instruments and Hedging Activities, was issued in June 1999. SFAS No. 138, which also amended SFAS No. 133, was issued in June 2000. The Company is required to adopt SFAS No. 133 by January 1, 2001. This statement establishes accounting and reporting standards requiring that each derivative instrument is recorded on the balance sheet as either an asset or a liability, measured at its fair value. The statement requires that changes in a derivative's fair value are recognized currently in earnings unless specific hedge accounting criteria are met and such hedge accounting treatment is elected. The Company believes that the adoption of SFAS No. 133 will not have a material impact on the Company's financial position, results of operations, earnings per share or cash flows.

3. INCOME TAXES

A summary of the provision for income taxes is as follows (dollars in thousands):

		Three Months Ended September 30,	
		1999	2000
		-----	-----
Federal:	Current.....	\$ 3,830	\$ 7,313
	Deferred.....	2,372	1,215
State:	Current.....	657	1,275
	Deferred.....	407	188
		-----	-----
Provision for income taxes.....		\$ 7,266	\$ 9,991
		=====	=====

4. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the weighted average of common shares outstanding during the period. The calculation of diluted earnings per share gives effect to all potential dilution from the Company's stock option plans. The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations.

	Three Months Ended September 30,	
	1999	2000
Numerator:		
Net income.....	\$ 10,456,000	\$ 14,378,000
Denominator:		
Average shares outstanding - basic.....	23,282,559	22,142,194
Incremental shares for stock options.....	120,981	500,151
Average shares outstanding - diluted.....	23,403,540	22,642,345
Earnings per share:		
Basic.....	\$ 0.45	\$ 0.65
Diluted.....	\$ 0.45	\$ 0.64

On May 25, 2000, the Company's shareholders approved an increase in the number of authorized shares of voting Common Stock from 40,000,000 to 80,000,000.

On April 20, 2000, the Company announced that its Board of Directors had authorized a share repurchase program pursuant to which AMG can repurchase up to five percent of its issued and outstanding shares of Common Stock, with the timing of purchases and the amount of stock purchased determined at the discretion of AMG's management. The Board of Directors authorized a similar repurchase program in 1999. For the twelve month period ended September 30, 2000, the Company repurchased a total of 1,413,200 shares of Common Stock under these two programs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

WHEN USED IN THIS FORM 10-Q AND IN OUR FUTURE FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, IN OUR PRESS RELEASES AND IN ORAL STATEMENTS MADE WITH THE APPROVAL OF AN AUTHORIZED EXECUTIVE OFFICER, THE WORDS OR PHRASES "WILL LIKELY RESULT," "ARE EXPECTED TO," "WILL CONTINUE," "IS ANTICIPATED," "BELIEVES," "ESTIMATE," "PROJECT," OR SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, INCLUDING, AMONG OTHERS, THE FOLLOWING:

- OUR PERFORMANCE IS DIRECTLY AFFECTED BY CHANGING CONDITIONS IN THE FINANCIAL AND SECURITIES MARKETS, AND A DECLINE OR A LACK OF SUSTAINED GROWTH IN THE FINANCIAL MARKETS MAY RESULT IN DECREASED ADVISORY FEES OR PERFORMANCE FEES AND A CORRESPONDING DECLINE (OR LACK OF GROWTH) IN THE CASH FLOW DISTRIBUTABLE TO US FROM OUR AFFILIATES;
- WE CANNOT BE CERTAIN THAT WE WILL BE SUCCESSFUL IN FINDING OR INVESTING IN ADDITIONAL INVESTMENT MANAGEMENT FIRMS ON FAVORABLE TERMS, OR THAT EXISTING AND NEW AFFILIATES WILL HAVE FAVORABLE OPERATING RESULTS;
- WE WILL NEED TO RAISE CAPITAL BY MAKING LONG-TERM OR SHORT-TERM BORROWINGS OR BY SELLING SHARES OF OUR STOCK IN ORDER TO FINANCE INVESTMENTS IN ADDITIONAL INVESTMENT MANAGEMENT FIRMS, AND WE CANNOT BE SURE THAT SUCH CAPITAL WILL BE AVAILABLE TO US ON ACCEPTABLE TERMS; AND
- THOSE CERTAIN OTHER FACTORS DISCUSSED UNDER THE CAPTION "BUSINESS-CAUTIONARY STATEMENTS" IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1999.

THESE FACTORS (AMONG OTHERS) COULD AFFECT OUR FINANCIAL PERFORMANCE AND CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM HISTORICAL EARNINGS AND THOSE PRESENTLY ANTICIPATED AND PROJECTED. WE WILL NOT UNDERTAKE AND WE SPECIFICALLY DISCLAIM ANY OBLIGATION TO RELEASE PUBLICLY THE RESULT OF ANY REVISIONS WHICH MAY BE MADE TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF SUCH STATEMENTS OR TO REFLECT THE OCCURRENCE OF EVENTS, WHETHER OR NOT ANTICIPATED. IN THAT RESPECT, WE WISH TO CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE MADE.

OVERVIEW

We buy and hold equity interests in mid-sized investment management firms (our "Affiliates") and currently derive all of our revenues from those firms. We hold investments in 15 Affiliates that in aggregate managed \$85.1 billion in assets at September 30, 2000.

We have a revenue sharing arrangement with each of our Affiliates (other than The Managers Funds LLC ("Managers")) which allocates a specified percentage of revenues (typically 50-70%) for use by management of that Affiliate in paying operating expenses, including salaries and bonuses (the "Operating Allocation"). The remaining portion of revenues of each such Affiliate, typically 30-50% (the "Owners' Allocation"), is allocated to the owners of that Affiliate (including AMG), generally in proportion to their ownership of the Affiliate. At some Affiliates, we receive a guaranteed payment for the use of our capital or a license fee which in each case is paid from that portion of revenues which is deemed to be our Owners' Allocation. One of the purposes of our revenue sharing arrangements is to provide ongoing incentives for the managers of these Affiliates by allowing them:

- to participate in their firm's growth through their compensation from the Operating Allocation;
- to receive a portion of the Owners' Allocation based on their ownership interest in the Affiliate; and
- to control operating expenses, thereby increasing the portion of the Operating Allocation which is available for growth initiatives and bonuses for management of such Affiliate.

Under the revenue sharing arrangements, the managers of our Affiliates have an incentive both to increase revenues of the Affiliate (thereby increasing the Operating Allocation and their share of the Owners' Allocation) and to control expenses of the Affiliate (thereby increasing the excess Operating Allocation).

The revenue sharing arrangements allow us to participate in the revenue growth of our Affiliates because we receive a portion of the additional revenue as our share of the Owners' Allocation. However, we participate in that growth to a lesser extent than the managers of our Affiliates, because we do not share in the growth of the Operating Allocation.

Under the organizational documents of the Affiliates (other than Managers), the allocations and distributions of cash to us generally take priority over the allocations and distributions to the other owners of the Affiliates. This further protects us if there are any expenses in excess of the Operating Allocation of an 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 us. We may, however, waive this requirement in whole or in part, at our discretion. Under the organizational documents of the Affiliates (other than Managers), any such reduction in our portion of the Owners' Allocation is required to be paid back to us out of future Affiliate management Owners' Allocation. Unlike all other Affiliates, Managers is not subject to a revenue sharing arrangement since we own substantially the entire firm. As a result, we participate fully in any increase or decrease in the revenues or expenses of Managers.

The portion of our Affiliates' revenues which is included in their Operating Allocation and retained by them to pay salaries, bonuses and other operating expenses, as well as the portion of our Affiliates' revenues which is included in their Owners' Allocation and distributed to us and the other owners of the Affiliates, are included as "revenues" in our Consolidated Statements of Operations. The expenses of our Affiliates which are paid out of the Operating Allocation, as well as our holding company expenses which we pay out of the amounts of the Owners' Allocation we receive from the Affiliates, are both included in "operating expenses" in our Consolidated Statements of Operations. Since Managers is not subject to a revenue sharing arrangement, all revenues and expenses of Managers are consolidated into the revenues and operating expenses in our Consolidated Statements of Operations. The portion of our Affiliates' revenues which is allocated to owners of the Affiliates other than us is included in "minority interest" in our Consolidated Statements of Operations.

Our revenues are generally derived from the provision of investment management services for fees by our Affiliates. 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 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"), while mutual fund clients are billed based upon daily assets. 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 based on levels of investment performance achieved. While the Affiliates bill performance-based fees at various times throughout the year, the greatest portion of these fees have historically been billed in the fourth quarter in any given year. 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.

Our 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 our existing 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) a variety of factors affecting the securities markets generally, which could potentially result in considerable increases or decreases in the assets under management at our Affiliates; (iii) the receipt of Owners' Allocation, which is dependent on the ability of our existing and future Affiliates to maintain certain levels of operating profit margins; (iv) the availability and cost of the capital with which we finance our existing and new investments; (v) our success in attracting new investments and the terms upon which such transactions are completed; (vi) the level of intangible assets and the associated amortization expense resulting from our investments; (vii) the level of expenses incurred for holding company operations, including compensation for its employees; and (viii) the level of taxation to which we are subject.

In addition, our profitability will depend upon fees paid on the basis of investment performance at certain of our Affiliates. Fees based on investment performance are inherently dependent on investment results, and therefore may vary substantially from year to year. In particular, performance-based fees have been of an unusual magnitude in recent years, and may not recur to the same magnitude in future years, if at all. In addition, while the performance-based fee contracts of our Affiliates apply to investment management services in a range of investment management styles and securities market sectors, such contracts may be concentrated in certain styles and sectors. For example, in 1999 we benefited from a concentration of such products in technology sectors which performed well in that year. To the extent such contracts are concentrated within styles or sectors, they are subject to the continuing impact of fluctuating securities prices in such styles and sectors as well as the performance of the relevant Affiliates.

Assets under management on a historical basis were \$85.1 billion at September 30, 2000 versus \$89.3 billion at June 30, 2000 and \$82.0 billion at December 31, 1999. The decrease in assets under management during the quarter resulted primarily from the net loss of low fee overlay assets of \$6.5 billion, principally due to the loss of two passive overlay accounts. This decrease was partially offset during the quarter by positive investment performance of \$2.2 billion and positive net client cash flows of directly managed assets of \$42 million. The year to date increase in assets under management was primarily a result of positive investment performance of \$5.4 billion from our investment in Frontier Capital Management Company, LLC ("Frontier") (\$5.0 billion at the time of investment), and positive net client cash flows of directly managed assets of \$163 million, partially offset by the net loss of overlay assets of \$7.4 billion.

Our investments have been accounted for using 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 our investments, intangible assets, consisting of acquired client relationships and goodwill, constitute a substantial percentage of our consolidated assets. As of September 30, 2000, our total assets were approximately \$814.6 million, of which approximately \$201.1 million consisted of acquired client relationships and \$445.8 million consisted of goodwill.

The amortization period for intangible assets for each investment is assessed individually, with amortization periods for our investments to date ranging from eight to 28 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, we consider a number of factors including: the firm's historical and potential future operating performance and rate 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. We perform a quarterly evaluation of intangible assets on an investment-by-investment basis to determine whether there has been any impairment in their carrying value or their useful lives. If impairment is indicated, then the carrying amount of intangible assets, including goodwill, will be reduced to their fair values.

While amortization of intangible assets has been charged to the results of operations and is expected to be a continuing material component of our 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 our distributions from our Affiliates are based on their Owners' Allocation, we have provided additional supplemental information in this report for "cash" related earnings, as an addition to, but not as a substitute for, measures related to net income. Our additional measures of "cash" related earnings are:

- Cash Net Income (earnings plus depreciation and amortization), which we believe is useful to investors as another indicator of funds available to make new investments, to repay debt obligations, and to repurchase shares of our Common Stock. We have in the past referred to Cash Net Income as "EBITDA as adjusted;"
- EBITDA (earnings before interest expense, income taxes, depreciation and amortization), which we believe is useful to investors as an indicator of our ability to service debt, to make new investments and to meet working capital requirements; and
- EBITDA Contribution (EBITDA plus our holding company operating expenses), which we believe is useful to investors as an indicator of funds available from our Affiliates' operations (before giving

effect to holding company expenses) to service debt, to make new investments and to meet working capital requirements.

THE THREE MONTHS ENDED SEPTEMBER 30, 2000 AS COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 1999

We had net income of \$14.4 million for the quarter ended September 30, 2000 compared to net income of \$10.5 million for the quarter ended September 30, 1999. The increase in net income resulted primarily from the growth in EBITDA Contribution (from \$30.4 million for the quarter ended September 30, 1999 to \$42.8 million for the quarter ended September 30, 2000) which was offset by increases in our interest, tax and operating expenses, including amortization. The growth in EBITDA Contribution resulted principally from the internal growth of our existing Affiliates and, to a lesser extent, the investment in Frontier in January 2000. Frontier's results have been included in our results from the date of our investment.

Total revenues for the quarter ended September 30, 2000 were \$118.2 million, an increase of \$32.8 million over the quarter ended September 30, 1999, as a result of the internal growth in our existing Affiliates and, to a lesser extent, our investment in Frontier.

Total operating expenses increased by \$21.2 million to \$74.4 million for the quarter ended September 30, 2000 from \$53.1 million for the quarter ended September 30, 1999. Compensation and related expenses increased by \$17.7 million, amortization of intangible assets increased by \$1.2 million, selling, general and administrative expenses increased by \$1.3 million, and other operating expenses increased by \$0.7 million. The increase in operating expenses was due principally to an increase in our Affiliates' Operating Allocation, which was a result of the growth in revenues.

Minority interest increased by \$3.9 million to \$16.6 million for the quarter ended September 30, 2000 from \$12.7 million for the quarter ended September 30, 1999, primarily as a result of the increase in our Affiliates' Owners' Allocation due to the growth in revenues.

Interest expense increased by \$1.4 million to \$4.1 million for the quarter ended September 30, 2000 from \$2.7 million for the quarter ended September 30, 1999. The increase in interest expense resulted from an increase in LIBOR rates and an increase in the weighted average debt outstanding under our credit facility. The increase in the weighted average debt outstanding is attributable to our investment in Frontier and, to a lesser extent, Common Stock share repurchases during the twelve month period ended September 30, 2000. This increase was partially offset by repayments of our senior bank debt from cash flows from ongoing operations.

Income tax expense was \$10.0 million for the quarter ended September 30, 2000 compared to \$7.3 million for the quarter ended September 30, 1999. The change in tax expense was principally related to an increase in income before taxes.

EBITDA increased by \$9.6 million to \$36.5 million for the quarter ended September 30, 2000 from \$26.9 million for the quarter ended September 30, 1999, primarily as a result of the growth in revenues.

Cash Net Income increased by \$5.4 million to \$22.4 million for the quarter ended September 30, 2000 from \$17.0 million for the quarter ended September 30, 1999 as a result of the factors affecting net income as described above, with the exception of amortization of intangible assets.

THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AS COMPARED TO THE NINE MONTHS
ENDED SEPTEMBER 30, 1999

We had net income of \$41.9 million for the nine months ended September 30, 2000 compared to net income of \$27.5 million for the nine months ended September 30, 1999. The increase in net income resulted primarily from growth in EBITDA Contribution (from \$83.3 million for the nine months ended September 30, 1999 to \$121.9 million for the nine months ended September 30, 2000), which was offset by increases in our interest, tax and operating expenses, including amortization. The growth in EBITDA Contribution resulted from the internal growth in our existing Affiliates and, to a lesser extent, our new investments made during and subsequent to the first nine months of 1999. We invested in Managers and Frontier in April 1999 and January 2000, respectively. The results of Managers and Frontier have been included in our results from the dates of our investments.

Total revenues for the nine months ended September 30, 2000 were \$343.9 million, an increase of \$111.8 million over the nine months ended September 30, 1999, due to the internal growth in our existing Affiliates and, to a lesser extent, our investments in new Affiliates.

Total operating expenses increased by \$70.3 million to \$214.1 million for the nine months ended September 30, 2000 from \$143.8 million for the nine months ended September 30, 1999. Compensation and related expenses increased by \$51.5 million, selling, general and administrative expenses increased by \$13.6 million, amortization of intangible assets increased by \$3.4 million, and other operating expenses increased by \$1.5 million. The increase in operating expenses was due principally to an increase in our Affiliates' Operating Allocation, which was the result of the growth in revenues.

Minority interest increased by \$14.8 million to \$50.1 million for the nine months ended September 30, 2000 from \$35.3 million for the nine months ended September 30, 1999. This increase is primarily a result of the increase in our Affiliates' Owners' Allocation due to the growth in revenues.

Interest expense increased by \$3.1 million to \$12.1 million for the nine months ended September 30, 2000 from \$9.0 million for the nine months ended September 30, 1999. The increase in interest expense resulted from an increase in LIBOR rates and an increase in weighted average debt outstanding under our credit facility. The increase in weighted average debt outstanding is attributable to new investments and, to a lesser extent, Common Stock share repurchases during the twelve month period ended September 30, 2000. This increase was partially offset by repayments from the proceeds of a public offering of our Common Stock in March 1999 and cash flows from ongoing operations.

Income tax expense was \$29.1 million for the nine months ended September 30, 2000 compared to \$19.1 million for the nine months ended September 30, 1999. The change in tax expense was related to an increase in income before taxes.

EBITDA increased by \$31.2 million to \$106.0 million for the nine months ended September 30, 2000 from \$74.8 million for the nine months ended September 30, 1999, due to the growth in revenues.

Cash Net Income increased by \$18.1 million to \$64.9 million for the nine months ended September 30, 2000 from \$46.8 million for the nine months ended September 30, 1999 as a result of the factors affecting net income, with the exception of amortization of intangible assets.

LIQUIDITY AND CAPITAL RESOURCES

We have met our cash requirements primarily through bank borrowings, cash generated by operating activities, and the issuance of equity securities in public transactions. Our principal uses of cash have been to make investments, repay indebtedness, pay income taxes, repurchase shares, support our Affiliates' operating activities and for working capital purposes. We expect that our principal use of funds for the foreseeable future will be for additional investments, distributions to management owners of Affiliates, repayments of debt, including interest payments on outstanding debt, payment of income taxes, repurchase of shares, capital expenditures, additional investments in existing Affiliates, including our purchase of management owners' retained equity, and for working capital purposes.

During the three and nine month periods ended September 30, 2000, we repurchased no shares and 1,066,300 shares of Common Stock, respectively, with borrowings of senior debt under our credit facility. At September 30, 2000, we had outstanding borrowings of senior debt under our credit facility of \$182 million and the ability to borrow an additional \$148 million. We have the option, with the consent of our lenders, to increase the facility by another \$70 million to a total of \$400 million.

Our borrowings under the credit facility are collateralized by pledges of all of our interests in Affiliates (including all interests which are directly held by us, as well as all interests which are indirectly held by us through wholly-owned subsidiaries), which interests represent substantially all of our assets. Our credit facility contains a number of negative covenants, including those which generally prevent us and our Affiliates from: (i) incurring additional indebtedness (other than subordinated indebtedness), (ii) creating any liens or encumbrances on material assets (with certain enumerated exceptions), (iii) selling assets outside the ordinary course of business or making certain fundamental changes with respect to our businesses, including a restriction on our ability to transfer interests in any majority owned Affiliate if, as a result of such transfer, we would own less than 51% of such firm, and (iv) declaring or paying dividends on our Common Stock. Our credit facility bears interest at either LIBOR plus a margin or the Prime Rate plus a margin. We pay a commitment fee on the daily unused portion of the facility. In order to partially offset our exposure to changing interest rates we have entered into interest rate hedging contracts. The credit facility matures during December 2002.

In order to provide the funds necessary for us to continue to acquire interests in investment management firms, including our existing Affiliates upon the management owners' sales of their retained equity to us, it will be necessary for us 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 or become available on terms acceptable to us.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use interest rate swaps to manage market exposures associated with our variable rate debt by creating offsetting market exposures. These instruments are not held for trading purposes. In the normal course of operations, we also face risks that are either nonfinancial or nonquantifiable. Such risks principally include country risk, credit risk, and legal risk, and are not represented in the analysis that follows.

At September 30, 2000, \$185 million was subject to interest rate swaps and our exposure was to changes in three month LIBOR rates. Interest rate swaps allow us to achieve a level of variable-rate and fixed-rate debt that is acceptable to us, and to reduce interest rate exposure. In each of our interest rate swaps, we have agreed with another party to exchange the difference between fixed-rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Our interest rates on the notional amounts are capped at rates ranging between 6.69% and 6.78% upon quarterly reset dates. In addition, if LIBOR falls below 5% at a quarterly reset date, we are required to make a payment to our counterparty equal to the difference between the interest rate on our floating rate LIBOR debt on an annualized rate of between 6.69% and 6.78%, multiplied by the notional principal amount.

Under these derivative instruments, a hypothetical change of 10% in three month LIBOR rates, sustained for three months, would have resulted in no loss in earnings, as three month LIBOR rates (6.76% at November 10, 2000) would have had to decline below 5% in order to generate any payments to our counterparties.

PART II - OTHER INFORMATION

ITEM 1. 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 that, in the opinion of management, would have a material adverse effect on the Company's financial position, liquidity or results of operations.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule.

(b) Reports on Form 8-K:

There have been no reports on Form 8-K filed by the Company during the quarter ended September 30, 2000.

SIGNATURES

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

AFFILIATED MANAGERS GROUP, INC.

(Registrant)

/s/ Darrell W. Crate on behalf of the Registrant as Senior Vice President,

(Darrell W. Crate) Chief Financial Officer and Treasurer
(and also as Principal Financial and
Principal Accounting Officer)

November 13, 2000

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED
BALANCE SHEET AND CONSOLIDATED INCOME STATEMENTS.

1,000

9-MOS			
	DEC-31-2000		
	JAN-01-2000		
	SEP-30-2000		
		49,971	
		0	
		63,960	
		0	
		0	
	122,922		21,520
		0	
	814,628		
83,298		182,000	
0		0	
		407,063	
		80,561	
814,628			0
	343,898		0
		214,142	
		50,115	
		0	
	12,071		
		70,964	
		29,094	
41,870			
		0	
		0	
			0
	41,870		
		1.87	
		1.84	

MINORITY INTEREST