

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **April 26, 2011**

Affiliated Managers Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-13459
(Commission File Number)

04-3218510
(IRS Employer Identification No.)

600 Hale Street
Prides Crossing, Massachusetts
(Address of Principal Executive Offices)

01965
(Zip Code)

(617) 747-3300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Conditions.

On April 26, 2011, Affiliated Managers Group, Inc. (the "Company") issued a press release setting forth its financial and operating results for the quarter ended March 31, 2011. A copy of this press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein.

ITEM 8.01 Other Events.

The financial statement tables set forth in the press release issued by the Company on April 26, 2011 are also filed as Exhibit 99.2 hereto and are incorporated by reference herein.

ITEM 9.01 Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Earnings Press Release issued by the Company on April 26, 2011.
99.2	Earnings Press Release Financial Statement Tables.

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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 hereunto duly authorized.

AFFILIATED MANAGERS GROUP, INC.

Date: April 26, 2011

By: /S/ JOHN KINGSTON, III
Name: John Kingston, III
Title: Executive Vice President,
General Counsel and Secretary

3

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Earnings Press Release issued by the Company on April 26, 2011.
99.2	Earnings Press Release Financial Statement Tables.

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

4



Affiliated Managers Group, Inc.

Investor Relations: Alexandra Lynn
(617) 747-3300
ir@amg.com

Media Relations: Laura O'Brien
(617) 747-3300
pr@amg.com

**AMG Reports Financial and Operating Results
for the First Quarter of 2011**

Company Reports Economic EPS of \$1.60; EPS of \$0.74

BOSTON, April 26, 2011 — Affiliated Managers Group, Inc. (NYSE: AMG) today reported its financial and operating results for the quarter ended March 31, 2011.

For the first quarter of 2011, Economic Earnings Per Share (“Economic EPS”) were \$1.60, compared to \$1.14 for the same period of 2010, while diluted earnings per share for the first quarter of 2011 were \$0.74, compared to \$0.38 for the same period of 2010. For the first quarter of 2011, Economic Net Income was \$85.1 million, compared to \$50.8 million for the same period of 2010. For the first quarter of 2011, Net Income was \$39.1 million, compared to \$17.5 million for the same period of 2010. (Economic EPS and Economic Net Income are defined in the attached tables.)

For the first quarter of 2011, revenue was \$426.3 million, compared to \$251.0 million for the same period of 2010. For the first quarter of 2011, EBITDA was \$118.2 million, compared to \$68.2 million for the same period of 2010.

Net client cash flows for the first quarter of 2011 were approximately \$6.5 billion. The aggregate assets under management of AMG’s affiliated investment management firms were approximately \$340 billion at March 31, 2011.

(more)

“With year-over-year growth in Economic Earnings Per Share of 40% and another quarter of strong net client cash flows, AMG has had an excellent start to 2011,” stated Sean M. Healey, Chairman and Chief Executive Officer of AMG. “Our assets under management increased 46% in the past year, with \$17 billion from net client cash flows in the last twelve months, including \$6.5 billion during the first quarter of 2011 alone. Given the strength of our position in global and emerging markets equities and alternatives, which account for over 70% of our earnings, and the ongoing success of our global distribution strategy, we are poised for continued organic growth going forward.”

“Institutional investors worldwide are increasingly attracted to the combination of performance-oriented boutiques with the scale, resources, and risk management of a global investment manager,” Mr. Healey added. “Our global distribution strategy, which combines Affiliate-driven efforts with the platform of a global franchise, continues to generate strong growth from net client cash flows. Our Affiliates’ industry-leading, alpha-generating products in global and emerging markets equities and alternatives accounted for virtually all of our net client cash flows during the quarter, and our products in these areas continue to have outstanding performance track records, with alternative managers such as AQR, First Quadrant, BlueMountain, and ValueAct generating especially strong results during the quarter.”

“Finally, the transaction environment remains highly favorable for us, and we continue to actively pursue investments in an array of outstanding traditional and alternative specialists,” Mr. Healey concluded. “Prospective Affiliates around the world increasingly recognize AMG’s unique partnership approach as the ideal alternative for growing boutique managers in need of a succession-planning solution. As we engage in discussions with firms on a global basis, we remain confident in our prospects for material earnings growth through accretive investments in new Affiliates.”

About Affiliated Managers Group

AMG is a global asset management company with equity investments in leading boutique investment management firms. AMG’s innovative partnership approach allows each Affiliate’s management team to own significant equity in their firm while maintaining operational autonomy. AMG’s strategy is to generate growth through the internal growth of existing Affiliates, as well as through investments in new Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of March 31, 2011 the aggregate assets under management of AMG’s Affiliates were approximately \$340 billion in more than 350 investment products across a broad range of investment styles, asset classes and distribution channels. For more information, please visit the Company’s website at www.amg.com.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, the ability to close pending investments, the investment performance of our Affiliates and their ability to effectively market their investment strategies, and other risks detailed

from time to time in AMG's filings with the Securities and Exchange Commission. Reference is hereby made to the "Cautionary Statements" set forth in the Company's Form 10-K for the year ended December 31, 2010.

AMG routinely posts information that may be significant for investors in the Investor Information section of its website, and encourages investors to consult that section regularly. For additional information, please visit www.amg.com.

Financial Tables Follow

A teleconference will be held with AMG's management at 11:00 a.m. Eastern time today. Parties interested in listening to the teleconference should dial 1-877-407-9210 (domestic calls) or 1-201-689-8049 (international calls) starting at 10:45 a.m. Eastern time. Those wishing to listen to the teleconference should dial the appropriate number at least ten minutes before the call begins.

The teleconference will also be available for replay beginning approximately one hour after the conclusion of the call. To hear a replay of the call, please dial 1-877-660-6853 (domestic calls) or 1-201-612-7415 (international calls) and provide account number 286 and conference ID 370964. The live call and replay of the session, and additional financial information referenced during the teleconference, can also be accessed via the Web at <http://www.amg.com/InvestorRelations/>.

###

3

Affiliated Managers Group, Inc.

Financial Highlights

(in millions, except earnings per share data)

	Three Months Ended 3/31/10	Three Months Ended 3/31/11
Revenue	\$ 251.0	\$ 426.3
Net Income (controlling interest)	\$ 17.5	\$ 39.1
Economic Net Income (A)	\$ 50.8	\$ 85.1
EBITDA (B)	\$ 68.2	\$ 118.2
Average shares outstanding - diluted	45.4	53.1
Earnings per share - diluted	\$ 0.38	\$ 0.74
Average shares outstanding - adjusted diluted (C)	44.8	53.1
Economic earnings per share (C)	\$ 1.14	\$ 1.60
	December 31, 2010	March 31, 2011
Cash and cash equivalents	\$ 313.3	\$ 252.8
Senior bank debt	\$ 460.0	\$ 340.0
Senior convertible securities (D)	\$ 422.1	\$ 425.5
Junior convertible trust preferred securities (D)	\$ 509.9	\$ 510.5
Stockholders' equity	\$ 1,800.0	\$ 1,761.2

(more)

4

Affiliated Managers Group, Inc.

Reconciliations of Earnings Per Share Calculation

(in millions, except per share data)

	Three Months Ended 3/31/10	Three Months Ended 3/31/11
Net Income (controlling interest)	\$ 17.5	\$ 39.1
Convertible securities interest expense, net (E)	0.0	—
Net Income (controlling interest), as adjusted	\$ 17.5	\$ 39.1

Average shares outstanding - diluted		45.4		53.1
Earnings per share - diluted	\$	0.38	\$	0.74

Reconciliations of Average Shares Outstanding

	Three Months Ended 3/31/10	Three Months Ended 3/31/11
Average shares outstanding - diluted	45.4	53.1
Assumed issuance of LYONS shares	(0.8)	—
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of LYONS shares	0.2	—
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>44.8</u>	<u>53.1</u>

(more)

5

Affiliated Managers Group, Inc. Operating Results

Assets Under Management

(in millions)

Statement of Changes

	Mutual Fund	Institutional	High Net Worth	Total
Assets under management, December 31, 2010	\$ 85,243	\$ 200,150	\$ 34,653	\$ 320,046
Client cash inflows	6,992	12,756	1,697	21,445
Client cash outflows	(4,836)	(8,434)	(1,710)	(14,980)
Net client cash flows	2,156	4,322	(13)	6,465
Investment performance	3,442	8,277	1,820	13,539
Other (F)	(222)	—	—	(222)
Assets under management, March 31, 2011	<u>\$ 90,619</u>	<u>\$ 212,749</u>	<u>\$ 36,460</u>	<u>\$ 339,828</u>

Financial Results

(in millions)

	Three Months Ended 3/31/10	Percent of Total	Three Months Ended 3/31/11	Percent of Total
Revenue				
Mutual Fund	\$ 97.9	39%	\$ 184.2	43%
Institutional	121.8	49%	207.0	49%
High Net Worth	31.3	12%	35.1	8%
	<u>\$ 251.0</u>	<u>100%</u>	<u>\$ 426.3</u>	<u>100%</u>
EBITDA (B)				
Mutual Fund	\$ 20.9	31%	\$ 38.5	33%
Institutional	38.1	56%	68.9	58%
High Net Worth	9.2	13%	10.8	9%
	<u>\$ 68.2</u>	<u>100%</u>	<u>\$ 118.2</u>	<u>100%</u>

(more)

6

Affiliated Managers Group, Inc.

Reconciliations of Performance and Liquidity Measures

(in millions)

Three Months Ended 3/31/10	Three Months Ended 3/31/11
----------------------------------	----------------------------------

Net Income (controlling interest)	\$	17.5	\$	39.1
Intangible amortization		16.7		27.1
Intangible-related deferred taxes		10.7		12.9
Imputed interest and contingent payment adjustments		2.3		4.4
Affiliate equity expense		1.7		1.6
Affiliate depreciation		1.9		—
Economic Net Income (A)	\$	<u>50.8</u>	\$	<u>85.1</u>
Cash flow from operations	\$	68.0	\$	130.2
Interest expense, net of non-cash items		14.2		16.8
Current tax provision		2.5		13.5
Income from equity method investments, net of distributions		(6.0)		(46.4)
Changes in assets and liabilities and other adjustments		(10.5)		4.1
EBITDA (B)	\$	<u>68.2</u>	\$	<u>118.2</u>
Holding company expenses		18.2		20.1
EBITDA Contribution	\$	<u>86.4</u>	\$	<u>138.3</u>

(more)

7

Affiliated Managers Group, Inc.
Consolidated Statements of Income
(in millions, except per share data)

	Three Months Ended	
	2010	2011
Revenue	\$ 251.0	\$ 426.3
Operating expenses:		
Compensation and related expenses	119.2	179.5
Selling, general and administrative	45.3	87.5
Amortization of intangible assets	8.9	22.1
Depreciation and other amortization	3.0	3.8
Other operating expenses	6.1	8.5
	<u>182.5</u>	<u>301.4</u>
Operating income	<u>68.5</u>	<u>124.9</u>
Non-operating (income) and expenses:		
Investment and other income	(2.8)	(8.7)
Income from equity method investments	(9.1)	(10.2)
Investment income from Affiliate investments in partnerships (G)	(4.1)	—
Interest expense	16.0	19.4
Imputed interest expense	3.8	8.3
	<u>3.8</u>	<u>8.8</u>
Income before income taxes	64.7	116.1
Income taxes (H)	11.9	26.7
Net income	<u>52.8</u>	<u>89.4</u>
Net income (non-controlling interests)	(31.3)	(50.3)
Net income (non-controlling interests in partnerships) (G)	(4.0)	—
Net Income (controlling interest)	<u>\$ 17.5</u>	<u>\$ 39.1</u>
Average shares outstanding - basic	42.4	51.8
Average shares outstanding - diluted	45.4	53.1
Earnings per share - basic	\$ 0.41	\$ 0.76
Earnings per share - diluted	\$ 0.38	\$ 0.74

(more)

8

Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in millions)

	December 31, 2010	March 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 313.3	\$ 252.8
Investment advisory fees receivable	236.4	231.2
Investments in marketable securities	116.0	110.3
Unsettled fund share receivables	42.0	103.8
Prepaid expenses and other current assets	61.7	83.5
Total current assets	769.4	781.6
Fixed assets, net	67.7	66.0
Equity investments in Affiliates	678.9	622.7
Acquired client relationships, net	1,424.2	1,409.6
Goodwill	2,131.2	2,142.6
Other assets	219.8	236.8
Total assets	<u>\$ 5,291.2</u>	<u>\$ 5,259.3</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 252.8	\$ 207.3
Unsettled fund share payables	39.8	95.3
Payables to related party	114.8	80.5
Total current liabilities	407.4	383.1
Senior bank debt	460.0	340.0
Senior convertible securities (D)	422.1	425.5
Junior convertible trust preferred securities (D)	509.9	510.5
Deferred income taxes	495.4	502.9
Other long-term liabilities	207.8	215.0
Total liabilities	2,502.6	2,377.0
Redeemable non-controlling interests	406.3	531.2
Equity:		
Common stock	0.5	0.5
Additional paid-in capital	980.5	854.6
Accumulated other comprehensive income	100.5	111.9
Retained earnings	1,011.8	1,050.9
	2,093.3	2,017.9
Less treasury stock, at cost	(293.3)	(256.7)
Total stockholders' equity	1,800.0	1,761.2
Non-controlling interests	582.3	589.9
Total equity	2,382.3	2,351.1
Total liabilities and equity	<u>\$ 5,291.2</u>	<u>\$ 5,259.3</u>

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Cash Flow
(in millions)

	Three Months Ended March 31,	
	2010	2011
Cash flow from operating activities:		
Net income	\$ 52.8	\$ 89.4
Adjustments to reconcile Net income to net cash flow from operating activities:		
Amortization of intangible assets	8.9	22.1
Amortization of issuance costs	1.8	2.6
Depreciation and other amortization	3.0	3.8
Deferred income tax provision	8.6	9.6
Imputed interest expense	3.8	8.3
Income from equity method investments, net of amortization	(9.1)	(10.2)
Distributions received from equity method investments	23.2	64.9
Tax benefit from exercise of stock options	0.3	0.8
Stock option expense	3.6	6.1

Affiliate equity expense	3.4	3.5
Other adjustments	(4.0)	(5.6)
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable	(0.9)	3.0
(Increase) decrease in prepaids and other current assets	11.0	(2.5)
Increase in unsettled fund shares receivable	(98.7)	(60.7)
Increase in other assets	(11.1)	(2.9)
Decrease in accounts payable, accrued liabilities and other long-term liabilities	(37.0)	(56.5)
Increase in unsettled fund shares payable	108.4	54.5
Cash flow from operating activities	<u>68.0</u>	<u>130.2</u>
Cash flow used in investing activities:		
Investments in Affiliates	(127.7)	(13.3)
Purchase of fixed assets	(1.1)	(1.7)
Purchase of investment securities	(14.9)	(9.1)
Sale of investment securities	11.8	12.0
Cash flow used in investing activities	<u>(131.9)</u>	<u>(12.1)</u>
Cash flow from (used in) financing activities:		
Borrowings of senior bank debt	235.0	—
Repayments of senior bank debt	(65.0)	(120.0)
Issuance of common stock	2.5	15.2
Issuance costs	(0.1)	(7.7)
Excess tax benefit from exercise of stock options	0.4	4.9
Settlement of treasury lock	—	4.0
Note payments	(25.4)	0.1
Distributions to non-controlling interests	(37.2)	(69.5)
Affiliate equity issuances and repurchases	(102.6)	(7.8)
Cash flow from (used in) financing activities	<u>7.6</u>	<u>(180.8)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	0.6	2.2
Net decrease in cash and cash equivalents	(55.7)	(60.5)
Cash and cash equivalents at beginning of period	259.5	313.3
Cash and cash equivalents at end of period	<u>\$ 203.8</u>	<u>\$ 252.8</u>

(more)

Affiliated Managers Group, Inc.

Notes

(in millions, except per share data)

- (A) Under our Economic Net Income definition, we add to Net Income (controlling interest) amortization (including equity method amortization), deferred taxes related to intangible assets, non-cash imputed interest expense (principally related to the accounting for convertible securities and contingent payment arrangements) and Affiliate equity expense. We consider Economic Net Income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net Income; Economic Net Income is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

We add back amortization attributable to acquired client relationships because this expense does not correspond to the changes in value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) that are no longer amortized but continue to generate tax deductions is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

In the fourth quarter of 2010, we modified our Economic Net Income definition to no longer add back Affiliate depreciation to Net Income (controlling interest). If we had applied this definition change to our results in the first quarter of 2010, Economic earnings per share for the three months ended March 31, 2010 would have been \$1.09, as compared to \$1.14.

- (B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.
- (C) Economic earnings per share represents Economic Net Income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and

we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Economic earnings per share is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

(more)

11

- (D) We have bifurcated our convertible debt securities into their debt and equity components on our balance sheet. The principal amount at maturity of the senior convertible notes due 2038 was \$460.0 at December 31, 2010 and March 31, 2011. The principal amount at maturity of the junior convertible trust preferred securities was \$730.8 at December 31, 2010 and March 31, 2011, comprised of \$300.0 due 2036 and \$430.8 due 2037.
- (E) Convertible securities interest expense, net, includes the interest expense, net of tax, associated with our dilutive convertible securities.
- (F) Other includes assets under management attributable to Affiliate product transitions, new investment client transitions and transfers of our interests in certain Affiliated investment management firms, the financial effects of which are not material to our ongoing results.
- (G) In prior periods, income from consolidated investment partnerships was presented as Investment income from Affiliate investments in partnerships in the Consolidated Statements of Income. A majority of these assets were held by investors that are unrelated to us, and their portion of the income was reported as Net income (non-controlling interests in partnerships). In the third quarter of 2010 we deconsolidated these partnerships.
- (H) Our consolidated income tax provision includes taxes attributable to controlling interests, and to a lesser extent, taxes attributable to non-controlling interests, as follows:

	Three Months Ended	
	March 31,	
	2010	2011
Current income taxes	\$ 2.5	\$ 13.5
Intangible-related deferred taxes	10.7	12.9
Other deferred taxes	(2.1)	(2.8)
Taxes attributable to controlling interests	11.1	23.6
Taxes attributable to non-controlling interests	0.8	3.1
Total income taxes	<u>\$ 11.9</u>	<u>\$ 26.7</u>
Income before taxes (controlling interests)	\$ 28.6	\$ 62.7
Effective tax rate*	38.8%	37.6%

* Taxes attributable to controlling interests divided by our share of the consolidated income before taxes.

12

Affiliated Managers Group, Inc.**Financial Highlights**

(in millions, except earnings per share data)

	<u>Three Months Ended 3/31/10</u>	<u>Three Months Ended 3/31/11</u>
Revenue	\$ 251.0	\$ 426.3
Net Income (controlling interest)	\$ 17.5	\$ 39.1
Economic Net Income (A)	\$ 50.8	\$ 85.1
EBITDA (B)	\$ 68.2	\$ 118.2
Average shares outstanding - diluted	45.4	53.1
Earnings per share - diluted	\$ 0.38	\$ 0.74
Average shares outstanding - adjusted diluted (C)	44.8	53.1
Economic earnings per share (C)	\$ 1.14	\$ 1.60
	<u>December 31, 2010</u>	<u>March 31, 2011</u>
Cash and cash equivalents	\$ 313.3	\$ 252.8
Senior bank debt	\$ 460.0	\$ 340.0
Senior convertible securities (D)	\$ 422.1	\$ 425.5
Junior convertible trust preferred securities (D)	\$ 509.9	\$ 510.5
Stockholders' equity	\$ 1,800.0	\$ 1,761.2

(more)

1

Affiliated Managers Group, Inc.**Reconciliations of Earnings Per Share Calculation**

(in millions, except per share data)

	<u>Three Months Ended 3/31/10</u>	<u>Three Months Ended 3/31/11</u>
Net Income (controlling interest)	\$ 17.5	\$ 39.1
Convertible securities interest expense, net (E)	0.0	—
Net Income (controlling interest), as adjusted	\$ 17.5	\$ 39.1
Average shares outstanding - diluted	45.4	53.1
Earnings per share - diluted	\$ 0.38	\$ 0.74

Reconciliations of Average Shares Outstanding

	<u>Three Months Ended 3/31/10</u>	<u>Three Months Ended 3/31/11</u>
Average shares outstanding - diluted	45.4	53.1
Assumed issuance of LYONS shares	(0.8)	—
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of LYONS shares	0.2	—
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>44.8</u>	<u>53.1</u>

(more)

Affiliated Managers Group, Inc.
Operating Results

Assets Under Management

(in millions)

Statement of Changes

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, December 31, 2010	\$ 85,243	\$ 200,150	\$ 34,653	\$ 320,046
Client cash inflows	6,992	12,756	1,697	21,445
Client cash outflows	(4,836)	(8,434)	(1,710)	(14,980)
Net client cash flows	2,156	4,322	(13)	6,465
Investment performance	3,442	8,277	1,820	13,539
Other (F)	(222)	—	—	(222)
Assets under management, March 31, 2011	<u>\$ 90,619</u>	<u>\$ 212,749</u>	<u>\$ 36,460</u>	<u>\$ 339,828</u>

Financial Results

(in millions)

	<u>Three Months Ended 3/31/10</u>	<u>Percent of Total</u>	<u>Three Months Ended 3/31/11</u>	<u>Percent of Total</u>
Revenue				
Mutual Fund	\$ 97.9	39%	\$ 184.2	43%
Institutional	121.8	49%	207.0	49%
High Net Worth	31.3	12%	35.1	8%
	<u>\$ 251.0</u>	<u>100%</u>	<u>\$ 426.3</u>	<u>100%</u>
EBITDA (B)				
Mutual Fund	\$ 20.9	31%	\$ 38.5	33%
Institutional	38.1	56%	68.9	58%
High Net Worth	9.2	13%	10.8	9%
	<u>\$ 68.2</u>	<u>100%</u>	<u>\$ 118.2</u>	<u>100%</u>

(more)

Affiliated Managers Group, Inc.

Reconciliations of Performance and Liquidity Measures

(in millions)

	<u>Three Months Ended 3/31/10</u>	<u>Three Months Ended 3/31/11</u>
Net Income (controlling interest)	\$ 17.5	\$ 39.1
Intangible amortization	16.7	27.1
Intangible-related deferred taxes	10.7	12.9
Imputed interest and contingent payment adjustments	2.3	4.4
Affiliate equity expense	1.7	1.6
Affiliate depreciation	1.9	—
Economic Net Income (A)	<u>\$ 50.8</u>	<u>\$ 85.1</u>
Cash flow from operations	\$ 68.0	\$ 130.2
Interest expense, net of non-cash items	14.2	16.8
Current tax provision	2.5	13.5
Income from equity method investments, net of distributions	(6.0)	(46.4)
Changes in assets and liabilities and other adjustments	(10.5)	4.1
EBITDA (B)	<u>\$ 68.2</u>	<u>\$ 118.2</u>
Holding company expenses	18.2	20.1
EBITDA Contribution	<u>\$ 86.4</u>	<u>\$ 138.3</u>

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Income
(in millions, except per share data)

	Three Months Ended March 31,	
	2010	2011
Revenue	\$ 251.0	\$ 426.3
Operating expenses:		
Compensation and related expenses	119.2	179.5
Selling, general and administrative	45.3	87.5
Amortization of intangible assets	8.9	22.1
Depreciation and other amortization	3.0	3.8
Other operating expenses	6.1	8.5
	<u>182.5</u>	<u>301.4</u>
Operating income	<u>68.5</u>	<u>124.9</u>
Non-operating (income) and expenses:		
Investment and other income	(2.8)	(8.7)
Income from equity method investments	(9.1)	(10.2)
Investment income from Affiliate investments in partnerships (G)	(4.1)	—
Interest expense	16.0	19.4
Imputed interest expense	3.8	8.3
	<u>3.8</u>	<u>8.8</u>
Income before income taxes	64.7	116.1
Income taxes (H)	11.9	26.7
Net income	<u>52.8</u>	<u>89.4</u>
Net income (non-controlling interests)	(31.3)	(50.3)
Net income (non-controlling interests in partnerships) (G)	(4.0)	—
Net Income (controlling interest)	<u>\$ 17.5</u>	<u>\$ 39.1</u>
Average shares outstanding - basic	42.4	51.8
Average shares outstanding - diluted	45.4	53.1
Earnings per share - basic	\$ 0.41	\$ 0.76
Earnings per share - diluted	\$ 0.38	\$ 0.74

(more)

Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in millions)

	December 31, 2010	March 31, 2011
	Assets	
Current assets:		
Cash and cash equivalents	\$ 313.3	\$ 252.8
Investment advisory fees receivable	236.4	231.2
Investments in marketable securities	116.0	110.3
Unsettled fund share receivables	42.0	103.8
Prepaid expenses and other current assets	61.7	83.5
Total current assets	<u>769.4</u>	<u>781.6</u>
Fixed assets, net	67.7	66.0
Equity investments in Affiliates	678.9	622.7
Acquired client relationships, net	1,424.2	1,409.6
Goodwill	2,131.2	2,142.6
Other assets	219.8	236.8
Total assets	<u>\$ 5,291.2</u>	<u>\$ 5,259.3</u>
Liabilities and Stockholders' Equity		

Current liabilities:		
Accounts payable and accrued liabilities	\$ 252.8	\$ 207.3
Unsettled fund share payables	39.8	95.3
Payables to related party	114.8	80.5
Total current liabilities	407.4	383.1
Senior bank debt	460.0	340.0
Senior convertible securities (D)	422.1	425.5
Junior convertible trust preferred securities (D)	509.9	510.5
Deferred income taxes	495.4	502.9
Other long-term liabilities	207.8	215.0
Total liabilities	2,502.6	2,377.0
Redeemable non-controlling interests	406.3	531.2
Equity:		
Common stock	0.5	0.5
Additional paid-in capital	980.5	854.6
Accumulated other comprehensive income	100.5	111.9
Retained earnings	1,011.8	1,050.9
	2,093.3	2,017.9
Less treasury stock, at cost	(293.3)	(256.7)
Total stockholders' equity	1,800.0	1,761.2
Non-controlling interests	582.3	589.9
Total equity	2,382.3	2,351.1
Total liabilities and equity	\$ 5,291.2	\$ 5,259.3

(more)

6

Affiliated Managers Group, Inc.
Consolidated Statements of Cash Flow
(in millions)

	Three Months Ended	
	2010	2011
Cash flow from operating activities:		
Net income	\$ 52.8	\$ 89.4
Adjustments to reconcile Net income to net cash flow from operating activities:		
Amortization of intangible assets	8.9	22.1
Amortization of issuance costs	1.8	2.6
Depreciation and other amortization	3.0	3.8
Deferred income tax provision	8.6	9.6
Imputed interest expense	3.8	8.3
Income from equity method investments, net of amortization	(9.1)	(10.2)
Distributions received from equity method investments	23.2	64.9
Tax benefit from exercise of stock options	0.3	0.8
Stock option expense	3.6	6.1
Affiliate equity expense	3.4	3.5
Other adjustments	(4.0)	(5.6)
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable	(0.9)	3.0
(Increase) decrease in prepaids and other current assets	11.0	(2.5)
Increase in unsettled fund shares receivable	(98.7)	(60.7)
Increase in other assets	(11.1)	(2.9)
Decrease in accounts payable, accrued liabilities and other long-term liabilities	(37.0)	(56.5)
Increase in unsettled fund shares payable	108.4	54.5
Cash flow from operating activities	68.0	130.2
Cash flow used in investing activities:		
Investments in Affiliates	(127.7)	(13.3)
Purchase of fixed assets	(1.1)	(1.7)
Purchase of investment securities	(14.9)	(9.1)
Sale of investment securities	11.8	12.0
Cash flow used in investing activities	(131.9)	(12.1)
Cash flow from (used in) financing activities:		
Borrowings of senior bank debt	235.0	—
Repayments of senior bank debt	(65.0)	(120.0)

Issuance of common stock	2.5	15.2
Issuance costs	(0.1)	(7.7)
Excess tax benefit from exercise of stock options	0.4	4.9
Settlement of treasury lock	—	4.0
Note payments	(25.4)	0.1
Distributions to non-controlling interests	(37.2)	(69.5)
Affiliate equity issuances and repurchases	(102.6)	(7.8)
Cash flow from (used in) financing activities	<u>7.6</u>	<u>(180.8)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	0.6	2.2
Net decrease in cash and cash equivalents	(55.7)	(60.5)
Cash and cash equivalents at beginning of period	259.5	313.3
Cash and cash equivalents at end of period	<u>\$ 203.8</u>	<u>\$ 252.8</u>

(more)

7

Affiliated Managers Group, Inc.

Notes

(in millions, except per share data)

- (A) Under our Economic Net Income definition, we add to Net Income (controlling interest) amortization (including equity method amortization), deferred taxes related to intangible assets, non-cash imputed interest expense (principally related to the accounting for convertible securities and contingent payment arrangements) and Affiliate equity expense. We consider Economic Net Income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net Income; Economic Net Income is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

We add back amortization attributable to acquired client relationships because this expense does not correspond to the changes in value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) that are no longer amortized but continue to generate tax deductions is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

In the fourth quarter of 2010, we modified our Economic Net Income definition to no longer add back Affiliate depreciation to Net Income (controlling interest). If we had applied this definition change to our results in the first quarter of 2010, Economic earnings per share for the three months ended March 31, 2010 would have been \$1.09, as compared to \$1.14.

- (B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.
- (C) Economic earnings per share represents Economic Net Income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Economic earnings per share is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

(more)

8

- (D) We have bifurcated our convertible debt securities into their debt and equity components on our balance sheet. The principal amount at maturity of the senior convertible notes due 2038 was \$460.0 at December 31, 2010 and March 31, 2011. The principal amount at maturity of the junior convertible trust preferred securities was \$730.8 at December 31, 2010 and March 31, 2011, comprised of \$300.0 due 2036 and \$430.8 due 2037.
- (E) Convertible securities interest expense, net, includes the interest expense, net of tax, associated with our dilutive convertible securities.
- (F) Other includes assets under management attributable to Affiliate product transitions, new investment client transitions and transfers of our interests in certain Affiliated investment management firms, the financial effects of which are not material to our ongoing results.
- (G) In prior periods, income from consolidated investment partnerships was presented as Investment income from Affiliate investments in partnerships in the Consolidated Statements of Income. A majority of these assets were held by investors that are unrelated to us, and their portion of the income was reported as Net income (non-controlling interests in partnerships). In the third quarter of 2010 we deconsolidated these partnerships.

(H) Our consolidated income tax provision includes taxes attributable to controlling interests, and to a lesser extent, taxes attributable to non-controlling interests, as follows:

	Three Months Ended	
	March 31,	
	2010	2011
Current income taxes	\$ 2.5	\$ 13.5
Intangible-related deferred taxes	10.7	12.9
Other deferred taxes	(2.1)	(2.8)
Taxes attributable to controlling interests	11.1	23.6
Taxes attributable to non-controlling interests	0.8	3.1
Total income taxes	\$ 11.9	\$ 26.7
Income before taxes (controlling interests)	\$ 28.6	\$ 62.7
Effective tax rate*	38.8%	37.6%

* Taxes attributable to controlling interests divided by our share of the consolidated income before taxes.