

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **July 29, 2019**

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.)

777 South Flagler Drive

West Palm Beach, Florida

(Address of Principal Executive Offices)

33401

(Zip Code)

(800) 345-1100

(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.01 par value)	AMG	New York Stock Exchange
5.875% Junior Subordinated Notes due 2059	MGR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 Results of Operations and Financial Condition.

On July 29, 2019, Affiliated Managers Group, Inc. (the “Company”) issued a press release setting forth its financial and operating results for the quarter ended June 30, 2019.

ITEM 8.01 Other Events.

The press release announced that the Company’s Board of Directors authorized and declared a quarterly dividend of \$0.32 per share of common stock, payable August 22, 2019 to stockholders of record as of the close of business on August 8, 2019.

A copy of the press release is furnished as Exhibit 99.1 hereto, except for such portions which are filed, as noted below under Item 9.01.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The financial highlights table set forth on page 1 and the financial tables set forth on pages 3 through 7 in Exhibit 99.1 hereto are “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall be deemed incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended. The remaining information in Exhibit 99.1 is being “furnished” to the Securities and Exchange Commission as provided pursuant to General Instruction B.2 of Form 8-K.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Earnings Press Release issued by the Company on July 29, 2019.</u>

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: July 29, 2019

By: /s/ David M. Billings
Name: David M. Billings
Title: General Counsel and Secretary



Investor Relations: Anjali Aggarwal
 Media Relations: Jonathan Freedman
 +1 (617) 747-3300
 ir@amg.com
 pr@amg.com

AMG Reports Financial and Operating Results for the Second Quarter and First Half of 2019

Reports EPS of \$2.11, Economic EPS of \$3.33

- ▶ AUM of \$776 billion, pro forma for investment in Garda Capital Partners
- ▶ Net Income (controlling interest) of \$108 million, Economic Net Income of \$170 million
- ▶ Adjusted EBITDA of \$219 million represented 2% growth versus prior quarter
- ▶ Repurchased \$50 million in common stock and announced \$0.32 cash dividend per common share

WEST PALM BEACH, FL, July 29, 2019 - Affiliated Managers Group, Inc. (NYSE: AMG) today reported its financial and operating results for the second quarter and six months ended June 30, 2019.

Jay C. Horgen, President and Chief Executive Officer of AMG, said:

"AMG reported Economic earnings per share of \$3.33 in the second quarter and net client cash outflows of (\$15.1) billion, which were driven primarily by ongoing performance headwinds in quantitative strategies across liquid alternatives and global equities. At the same time, we are continuing to benefit from organic growth in illiquid alternatives and in fixed income, across relative value and traditional strategies, and are positioned for long-term organic growth in fundamental global and emerging markets equities, given our Affiliates' strong performance track records.

"More broadly, clients recognize the competitive advantages that boutique managers inherently have in generating alpha. Given AMG's model and reputation as the partner of choice to outstanding independent firms, we offer unique access to boutique investment capabilities at scale, while preserving and enhancing the elements critical to individual Affiliate growth and success. Finally, with ongoing momentum in our new investment activity, including the recent closing of our partnership with leading fixed income relative value specialist Garda Capital Partners, we continue to have a significant opportunity to generate earnings growth through partnerships with excellent boutiques around the world, and will remain disciplined and selective in making new Affiliate investments, while also consistently returning capital to shareholders."

FINANCIAL HIGHLIGHTS <i>(in millions, except as noted and per share data)</i>	Three Months Ended		Six Months Ended	
	6/30/2018	6/30/2019	6/30/2018	6/30/2019
Operating Performance Measures				
AUM (at period end, in billions)	\$ 824.2	\$ 772.2	\$ 824.2	\$ 772.2
Average AUM (in billions)	829.8	774.2	834.7	773.4
Net client cash flows (in billions)	4.3	(15.1)	2.4	(22.6)
Aggregate fees	1,284.0	1,163.1	2,932.7	2,415.1
Financial Performance Measures				
Net income (loss) (controlling interest)	\$ 117.0	\$ 107.7	\$ 270.0	\$ (93.1)
Earnings (loss) per share (diluted)	2.16	2.11	4.92	(1.81)
Supplemental Performance Measures⁽¹⁾				
Adjusted EBITDA (controlling interest)	\$ 246.2	\$ 219.3	\$ 532.7	\$ 434.8
Economic net income (controlling interest)	195.6	170.1	410.9	339.1
Economic earnings per share	3.61	3.33	7.52	6.59

(1) For additional information on these measures, including reconciliations to GAAP, see the Financial Tables and Notes sections of this release.

Capital Management

The Company announced a third-quarter cash dividend of \$0.32 per common share, payable August 22, 2019 to common stockholders of record as of the close of business on August 8, 2019. During the second quarter of 2019, the Company repurchased approximately \$50 million in common stock.

About AMG

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 shareholder value through the growth of existing Affiliates, as well as through investments in new Affiliates and additional investments in existing Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of June 30, 2019, AMG's aggregate assets under management were approximately \$776 billion, pro forma for the subsequently closed investment in Garda Capital Partners, in more than 500 investment products across a broad range of active, return-oriented strategies. For more information, please visit the Company's website at www.amg.com.

Conference Call, Replay and Presentation Information

A conference call will be held with AMG's management at 8:30 a.m. Eastern time today. Parties interested in listening to the conference call should dial 1-877-407-8291 (U.S. calls) or 1-201-689-8345 (non-U.S. calls) shortly before the call begins.

The conference call 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 (U.S. calls) or 1-201-612-7415 (non-U.S. calls) and provide conference ID 13689635. The live call and replay of the session, and a presentation highlighting the Company's performance can also be accessed via AMG's website at <http://www.amg.com/InvestorRelations/>.

Financial Tables Follow

ASSETS UNDER MANAGEMENT - STATEMENT OF CHANGES *(in billions)*

BY STRATEGY - QUARTER TO DATE	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
AUM, March 31, 2019	\$ 295.7	\$ 267.9	\$ 108.5	\$ 102.1	\$ 774.2
Client cash inflows and commitments	8.6	9.5	4.4	4.8	27.3
Client cash outflows	(16.0)	(15.5)	(6.7)	(4.2)	(42.4)
Net client cash flows	(7.4)	(6.0)	(2.3)	0.6	(15.1)
Market changes	2.4	7.0	3.9	3.3	16.6
Foreign exchange	(1.2)	(0.6)	—	0.1	(1.7)
Realizations and distributions (net)	(0.3)	(0.1)	—	—	(0.4)
Other	(1.0)	—	(0.3)	(0.1)	(1.4)
AUM, June 30, 2019	\$ 288.2	\$ 268.2	\$ 109.8	\$ 106.0	\$ 772.2

BY STRATEGY - YEAR TO DATE	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
AUM, December 31, 2018	\$ 293.5	\$ 243.8	\$ 97.6	\$ 101.1	\$ 736.0
Client cash inflows and commitments	20.0	19.2	8.8	10.1	58.1
Client cash outflows	(30.4)	(28.6)	(12.5)	(9.2)	(80.7)
Net client cash flows	(10.4)	(9.4)	(3.7)	0.9	(22.6)
Market changes	9.0	33.9	16.8	8.2	67.9
Foreign exchange	(0.2)	0.8	0.1	0.5	1.2
Realizations and distributions (net)	(2.3)	(0.1)	—	(0.1)	(2.5)
Other	(1.4)	(0.8)	(1.0)	(4.6)	(7.8)
AUM, June 30, 2019	\$ 288.2	\$ 268.2	\$ 109.8	\$ 106.0	\$ 772.2

BY CLIENT TYPE - QUARTER TO DATE	Institutional	Retail	High Net Worth	Total
AUM, March 31, 2019	\$ 451.8	\$ 210.2	\$ 112.2	\$ 774.2
Client cash inflows and commitments	10.0	12.9	4.4	27.3
Client cash outflows	(19.7)	(18.4)	(4.3)	(42.4)
Net client cash flows	(9.7)	(5.5)	0.1	(15.1)
Market changes	7.9	5.5	3.2	16.6
Foreign exchange	(0.8)	(1.0)	0.1	(1.7)
Realizations and distributions (net)	(0.3)	(0.1)	—	(0.4)
Other	(1.1)	(0.2)	(0.1)	(1.4)
AUM, June 30, 2019	\$ 447.8	\$ 208.9	\$ 115.5	\$ 772.2

BY CLIENT TYPE - YEAR TO DATE	Institutional	Retail	High Net Worth	Total
AUM, December 31, 2018	\$ 432.9	\$ 195.4	\$ 107.7	\$ 736.0
Client cash inflows and commitments	21.9	26.4	9.8	58.1
Client cash outflows	(36.6)	(35.5)	(8.6)	(80.7)
Net client cash flows	(14.7)	(9.1)	1.2	(22.6)
Market changes	34.5	22.5	10.9	67.9
Foreign exchange	0.8	0.1	0.3	1.2
Realizations and distributions (net)	(2.2)	(0.2)	(0.1)	(2.5)
Other	(3.5)	0.2	(4.5)	(7.8)
AUM, June 30, 2019	\$ 447.8	\$ 208.9	\$ 115.5	\$ 772.2

CONSOLIDATED STATEMENTS OF INCOME (QUARTERLY)

<i>(in millions, except per share data)</i>	Three Months Ended	
	6/30/2018	6/30/2019
Consolidated revenue	\$ 600.1	\$ 591.9
Consolidated expenses:		
Compensation and related expenses	241.0	258.0
Selling, general and administrative	105.2	96.2
Intangible amortization and impairments	23.2	21.2
Interest expense	21.4	19.7
Depreciation and other amortization	5.7	5.3
Other expenses (net)	11.1	12.2
Total consolidated expenses	407.6	412.6
Equity method income (net)	35.3	29.4
Investment and other income	11.5	7.2
Income before income taxes	239.3	215.9
Income tax expense	34.1	35.7
Net income	205.2	180.2
Net income (non-controlling interests)	(88.2)	(72.5)
Net income (controlling interest)	\$ 117.0	\$ 107.7
Average shares outstanding (basic)	54.0	51.0
Average shares outstanding (diluted)	54.2	51.0
Earnings per share (basic)	\$ 2.17	\$ 2.11
Earnings per share (diluted)	\$ 2.16	\$ 2.11

RECONCILIATIONS OF SUPPLEMENTAL PERFORMANCE MEASURES (QUARTERLY) (2)

<i>(in millions, except per share data)</i>	Three Months Ended	
	6/30/2018	6/30/2019
Net income (controlling interest)	\$ 117.0	\$ 107.7
Intangible amortization and impairments	74.4	55.3
Intangible-related deferred taxes	4.7	6.6
Other economic items	(0.5)	0.5
Economic net income (controlling interest)	\$ 195.6	\$ 170.1
Average shares outstanding (adjusted diluted)	54.2	51.0
Economic earnings per share	\$ 3.61	\$ 3.33
Net income (controlling interest)	\$ 117.0	\$ 107.7
Interest expense	21.4	19.7
Income taxes	31.6	33.4
Intangible amortization and impairments	74.4	55.3
Other items	1.8	3.2
Adjusted EBITDA (controlling interest)	\$ 246.2	\$ 219.3

(2) See Notes for additional information.

CONSOLIDATED STATEMENTS OF INCOME (YEARLY)

<i>(in millions, except per share data)</i>	Six Months Ended	
	6/30/2018	6/30/2019
Consolidated revenue	\$ 1,212.6	\$ 1,135.1
Consolidated expenses:		
Compensation and related expenses	507.7	486.2
Selling, general and administrative	211.6	191.8
Intangible amortization and impairments	46.4	50.9
Interest expense	43.0	37.9
Depreciation and other amortization	11.2	10.6
Other expenses (net)	23.2	23.0
Total consolidated expenses	843.1	800.4
Equity method income (loss) (net)	131.6	(328.8)
Investment and other income	25.7	15.2
Income before income taxes	526.8	21.1
Income tax expense (benefit)	97.5	(26.1)
Net income	429.3	47.2
Net income (non-controlling interests)	(159.3)	(140.3)
Net income (loss) (controlling interest)	\$ 270.0	\$ (93.1)
Average shares outstanding (basic)	54.3	51.5
Average shares outstanding (diluted)	56.8	51.5
Earnings (loss) per share (basic)	\$ 4.97	\$ (1.81)
Earnings (loss) per share (diluted)	\$ 4.92	\$ (1.81)

RECONCILIATIONS OF SUPPLEMENTAL PERFORMANCE MEASURES (YEARLY) (2)

<i>(in millions, except per share data)</i>	Six Months Ended	
	6/30/2018	6/30/2019
Net income (loss) (controlling interest)	\$ 270.0	\$ (93.1)
Intangible amortization and impairments	122.1	515.1
Intangible-related deferred taxes	17.9	(87.1)
Other economic items	0.9	4.2
Economic net income (controlling interest)	\$ 410.9	\$ 339.1
Average shares outstanding (adjusted diluted)	54.6	51.5
Economic earnings per share	\$ 7.52	\$ 6.59
Net income (loss) (controlling interest)	\$ 270.0	\$ (93.1)
Interest expense	43.0	37.9
Income taxes	92.4	(31.5)
Intangible amortization and impairments	122.1	515.1
Other items	5.2	6.4
Adjusted EBITDA (controlling interest)	\$ 532.7	\$ 434.8

(2) See Notes for additional information.

CONSOLIDATED BALANCE SHEET

(in millions)	Period Ended	
	12/31/2018	6/30/2019
Assets		
Cash and cash equivalents	\$ 565.5	\$ 360.0
Receivables	400.6	528.7
Investments in marketable securities	119.3	33.9
Goodwill	2,633.4	2,639.5
Acquired client relationships (net)	1,309.9	1,257.1
Equity method investments in Affiliates (net)	2,791.0	2,330.2
Fixed assets (net)	104.3	99.8
Other investments	201.1	209.7
Other assets	94.0	268.9
Total assets	\$ 8,219.1	\$ 7,727.8
Liabilities and Equity		
Payables and accrued liabilities	\$ 746.6	\$ 607.1
Debt	1,829.6	1,791.4
Deferred income tax liability (net)	511.6	421.7
Other liabilities	162.7	354.6
Total liabilities	3,250.5	3,174.8
Redeemable non-controlling interests	833.7	727.2
Equity:		
Common stock	0.6	0.6
Additional paid-in capital	835.6	835.8
Accumulated other comprehensive loss	(109.0)	(95.1)
Retained earnings	3,876.8	3,743.7
	4,604.0	4,485.0
Less: treasury stock, at cost	(1,146.6)	(1,259.7)
Total stockholders' equity	3,457.4	3,225.3
Non-controlling interests	677.5	600.5
Total equity	4,134.9	3,825.8
Total liabilities and equity	\$ 8,219.1	\$ 7,727.8

Notes

As supplemental information, we provide non-GAAP performance measures of Adjusted EBITDA (controlling interest), Economic net income (controlling interest) and Economic earnings per share. Management utilizes these non-GAAP performance measures to assess our performance before our share of certain non-cash expenses and to improve comparability between periods.

Adjusted EBITDA (controlling interest) represents our performance before our share of interest expense, income taxes, depreciation, amortization, impairments, and adjustments to our contingent payment arrangements. We believe that many investors use this non-GAAP measure when assessing the financial performance of companies in the investment management industry.

Under our Economic net income (controlling interest) definition, we add to Net income (controlling interest) our share of pre-tax intangible amortization and impairments (including the portion attributable to equity method investments in Affiliates), deferred taxes related to intangible assets, and other economic items which include non-cash imputed interest (principally related to the accounting for convertible securities and contingent payment arrangements) and certain Affiliate equity expenses. Economic net income (controlling interest) is used by management and our Board of Directors as our principal performance benchmark, including as a measure for aligning executive compensation with stockholder value.

Economic earnings per share represents Economic net income (controlling interest) divided by the Average shares outstanding (adjusted diluted). In this calculation, the potential share issuance in connection with our junior 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 junior convertible 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.

The following table provides a reconciliation of Average shares outstanding (adjusted diluted):

(in millions)	Three Months Ended		Six Months Ended	
	6/30/2018	6/30/2019	6/30/2018	6/30/2019
Average shares outstanding (diluted)	54.2	51.0	56.8	51.5
Stock options and restricted stock units	—	—	—	0.0
Convertible securities	—	—	(2.2)	—
Average shares outstanding (adjusted diluted)	54.2	51.0	54.6	51.5

These non-GAAP performance measures are provided in addition to, but not as a substitute for, Net income (controlling interest), Earnings per share (controlling interest) or other GAAP performance measures. For additional information on our non-GAAP measures, see our Annual and Quarterly Reports on Form 10-K and 10-Q, respectively, which are accessible on the SEC's website at www.sec.gov.

Forward Looking Statements and Other Matters

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. You can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "preliminary," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "projects," "positioned," "prospects," "intends," "plans," "estimates," "pending investments," "anticipates" or the negative version of these words or other comparable words. 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 and growth rates of our Affiliates and their ability to effectively market their investment strategies, the mix of Affiliate contributions to our earnings and other risks, uncertainties and assumptions, including those described under the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K. Such factors may be updated from time to time in our periodic filings with the SEC. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

From time to time, AMG may use its website as a distribution channel of material Company information. AMG routinely posts financial and other important information regarding the Company in the Investor Relations section of its website at www.amg.com and encourages investors to consult that section regularly.