AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 24, 1999

REGISTRATION STATEMENT NO. 333-71561

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

AFFILIATED MANAGERS GROUP, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	04-3218510
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

COPIES TO:

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GOODWIN, PROCTER & HOAR LLP	SULLIVAN & CROMWELL
EXCHANGE PLACE	125 BROAD STREET
BOSTON, MASSACHUSETTS 02109	NEW YORK, NEW YORK 10004
(617) 570-1000	(212) 558-4000

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

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

SUBJECT TO COMPLETION. DATED FEBRUARY 24, 1999.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any state where the offer or sale is not permitted.

6,232,920 Shares

[LOGO] AFFILIATED MANAGERS GROUP, INC.

Common Stock

Affiliated Managers Group, Inc. is offering 4,000,000 shares of the shares to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional 2,232,920 shares. See "Selling Stockholders". AMG will not receive any of the proceeds from the sale of shares by the selling stockholders.

AMG's Common Stock is traded on the New York Stock Exchange under the symbol "AMG". The last reported sale price of the Common Stock on February 23, 1999 was $27.8125 per share.

SEE "RISK FACTORS" ON PAGE 11 TO READ ABOUT SEVERAL FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF THE COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share	Total
Initial public offering price.....	$	$
Underwriting discount.....	$	$
Proceeds, before expenses, to AMG.....	$	$
Proceeds, before expenses, to the selling stockholders.....	$	$

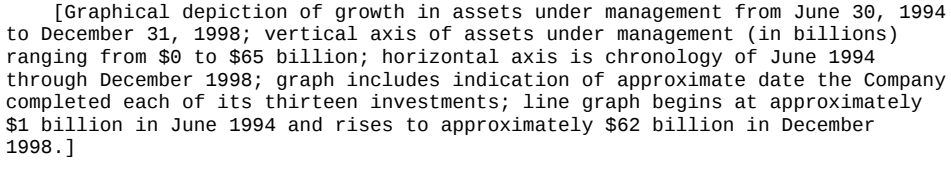
The underwriters may, under certain circumstances, purchase up to an additional 934,938 shares from AMG at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 1999.

GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO.
MORGAN STANLEY DEAN WITTER
SCHRODER & CO. INC.

Prospectus dated , 1999.

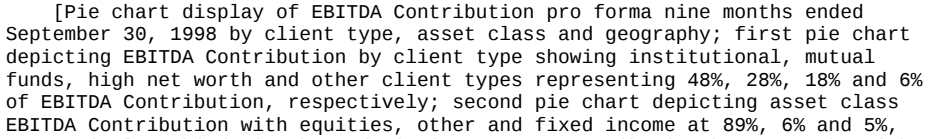
ASSETS UNDER MANAGEMENT


[Graphical depiction of growth in assets under management from June 30, 1994 to December 31, 1998; vertical axis of assets under management (in billions) ranging from $0 to $65 billion; horizontal axis is chronology of June 1994 through December 1998; graph includes indication of approximate date the Company completed each of its thirteen investments; line graph begins at approximately $1 billion in June 1994 and rises to approximately $62 billion in December 1998.]

EBITDA CONTRIBUTION
PRO FORMA NINE MONTHS ENDED SEPTEMBER 30, 1998

We hold interests in thirteen investment management firms, which we refer to as our "affiliates". We use the term "EBITDA Contribution" to refer to the portion of an affiliate's revenues that is allocated to AMG, after amounts retained by the affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, tax, depreciation and amortization expenses of the affiliate. EBITDA Contribution does not include holding company expenses.

The following pie charts show the percentage of total EBITDA Contribution allocated to AMG by its affiliates, broken down by client type, asset class and geographic area. The global investments referenced in the Geography pie chart below consist of accounts invested primarily in non-U.S. marketable securities.


[Pie chart display of EBITDA Contribution pro forma nine months ended September 30, 1998 by client type, asset class and geography; first pie chart depicting EBITDA Contribution by client type showing institutional, mutual funds, high net worth and other client types representing 48%, 28%, 18% and 6% of EBITDA Contribution, respectively; second pie chart depicting asset class EBITDA Contribution with equities, other and fixed income at 89%, 6% and 5%, respectively; third pie chart depicting EBITDA Contribution by geography with domestic investments and global investments representing 71% and 29%, respectively.]

We determined these percentages by multiplying each affiliate's EBITDA Contribution for the period by the percentage of its period-end assets under management in the relevant category. The sum of the EBITDA Contribution by category for all affiliates constitutes the EBITDA Contribution to AMG in that category for the period. We believe that EBITDA Contribution may be useful to investors as an indicator of each affiliate's contribution to AMG's ability to service debt, to make new investments and to meet working capital requirements. EBITDA Contribution is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA Contribution, as calculated by us, may not be consistent with comparable computations by other companies.

PROSPECTUS SUMMARY

YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH THE MORE DETAILED INFORMATION AND CONSOLIDATED FINANCIAL STATEMENTS AND THE NOTES TO THOSE STATEMENTS APPEARING ELSEWHERE IN THIS PROSPECTUS OR IN THE OTHER PUBLICLY AVAILABLE DOCUMENTS THAT WE HAVE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AND HAVE "INCORPORATED BY REFERENCE" IN THIS PROSPECTUS BY REFERRING TO THEM IN THE "WHERE YOU CAN FIND MORE INFORMATION" SECTION.

AMG

BACKGROUND

We are an asset management holding company which buys and holds majority interests in mid-sized investment management firms. We seek to grow by investing in additional firms, as well as through the internal growth of the firms in which we have already invested. With the completion of our most recent investments--in Davis Hamilton Jackson & Associates and Rorer Asset Management--we have invested in 13 investment management firms that managed $62.1 billion in assets at December 31, 1998.

We were founded in 1993 to address the challenges facing the founders and principal owners of many mid-sized investment management firms in shifting ownership and control to the next generation of management. We generally define "mid-sized" as firms with $500 million to $10 billion in assets under management. We believed that many of the owners of these firms would be interested in a new and better way to handle these ownership and management succession issues. Before AMG, succession planning alternatives for these firms were typically limited to:

- the sale of the owners' interests to their employees, generally at prices below fair market value, or

- the sale of 100% of the firm's equity, which often failed to provide adequate incentives for succeeding management to grow the firm.

OUR TRANSACTION STRUCTURE

We have developed an innovative transaction structure which we believe is a superior succession planning alternative for growing, mid-sized investment management firms. In our structure, we purchase a majority interest and management of these firms holds the remaining interest. We believe that this structure appeals to these firms because it:

- allows their owners to sell a portion of their interest, while ongoing management, including junior management, holds a significant ownership interest and has the opportunity to sell that interest to us in the future,

- provides management with autonomy over the day-to-day operations of their firm, and

- allows management to retain a fixed portion of their revenues to pay their operating expenses (including salaries and bonuses), and permits management to decide how to spend these revenues.

We believe that our structure distinguishes us from other buyers of investment management firms. Other buyers generally seek to own 100% of their target firms and, in many cases, seek to control the day-to-day management of such firms. We believe that our structure is particularly appealing to managers of firms who anticipate strong future growth, because it gives them the opportunity to profit from the growth of their retained ownership interest.

OUR GROWTH STRATEGY

We have achieved substantial growth in assets under management, EBITDA and net income by making new investments in mid-sized investment management firms as well as through the internal growth of our affiliates. Since our initial public offering in November 1997, we have made three new investments adding approximately $13.5 billion, or 29% to our assets under management, based on our pro forma assets under management at December 31, 1998.

In our view, we have many opportunities to continue our growth. Our primary strategies for achieving this growth are:

- growing our existing affiliates, and

- investing in additional mid-sized investment management firms.

The table below presents information that we believe illustrates our growth from 1997 to 1998. We have included our unaudited financial and operating results for the year ended December 31, 1998, which we announced on January 27, 1999, in the table below and in the "Recent Developments" section of this prospectus.

	YEAR ENDED DECEMBER 31,			INCREASE	
	PRO FORMA AS ADJUSTED 1997(1)	HISTORICAL 1998	PRO FORMA 1998(2)	HISTORICAL 1998 OVER PRO FORMA AS ADJUSTED 1997	PRO FORMA 1998 OVER PRO FORMA AS ADJUSTED 1997
		(UNAUDITED)			
Assets under management (in millions).....	$ 45,673	$ 57,731	$ 62,131	26%	36%
EBITDA(3) (in thousands).....	45,010	76,312	89,278	70	98
Net income (in thousands).....	8,761	25,551	28,254	192	222
Net income per share--diluted.....	$ 0.49	$ 1.33	$ 1.45	171%	196%

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(1) The pro forma as adjusted data give effect to all investments made as of December 31, 1997 as if such investments occurred on January 1, 1997.

(2) The pro forma data give effect to all investments made as of December 31, 1998 and the Rorer investment completed on January 6, 1999 as if such investments occurred on January 1, 1998.

(3) "EBITDA" represents earnings before interest expense, income taxes, depreciation, amortization and extraordinary items. EBITDA is not a measure of financial performance under generally accepted accounting principles, as discussed in more detail in note 2 to the "Summary Historical Financial Data" below.

INTERNAL GROWTH. Our affiliates' assets under management increased 13% during 1998 on a pro forma basis from $54.9 billion at December 31, 1997 to $62.1 billion at December 31, 1998. Over the same period Tweedy, Browne, our largest affiliate based on EBITDA Contribution, grew its assets under management by 24%, from $5.3 billion to $6.6 billion. We discuss the meaning of the term "EBITDA Contribution" on the inside of the front cover page of this prospectus.

We continue to believe that our affiliates are well positioned for future internal growth. Our affiliates manage assets across a diverse range of investment styles, asset classes and client types, with significant participation in fast-growing segments such as equities, global investments and mutual funds. For the nine months ended September 30, 1998 pro forma, investments in equity securities represented 89% of EBITDA Contribution, while global investments represented 29% of EBITDA Contribution. For the same period, mutual fund assets represented 28% of EBITDA Contribution. Other asset classes, including fixed income, represented 11% of EBITDA Contribution; domestic investments represented 71% of EBITDA Contribution; and institutional, high net worth and other client types represented 72% of EBITDA Contribution for the same period.

OUR AFFILIATES

The table below lists our affiliates, including their assets under management at December 31, 1998 and Rorer which became an affiliate on January 6, 1999. We own majority interests in each of our affiliates other than Paradigm.

AFFILIATE	PRINCIPAL LOCATION(S)	DATE OF INVESTMENT	ASSETS UNDER MANAGEMENT AT DECEMBER 31, 1998 (IN MILLIONS)
Burridge	Chicago; Seattle	December 1996	$ 1,594
Davis Hamilton Jackson	Houston	December 1998	3,468
Essex	Boston	March 1998	5,558
First Quadrant	Pasadena, CA; London	March 1996	26,615
GeoCapital	New York	September 1997	2,543
Gofen and Glossberg	Chicago	May 1997	4,280
Hartwell	New York	May 1994	362
Paradigm	New York	May 1995	2,898
Renaissance	Cincinnati	November 1995	1,390
Rorer	Philadelphia	January 1999	4,400
Skyline	Chicago	August 1995	1,161
Systematic	Teaneck, NJ	May 1995	1,221
Tweedy, Browne	New York; London	October 1997	6,641
Total			$ 62,131

The assets under management of First Quadrant include directly managed assets of $10.5 billion and $16.1 billion of assets indirectly managed using "overlay" strategies, which are strategies that use futures, options or other derivative securities for the purpose of enhancing the returns on an underlying portfolio of assets. Overlay strategies generate advisory fees which are generally at the lower end of the range of those generated by First Quadrant's directly managed portfolios.

NEW INVESTMENTS. Since March 1, 1998, we completed three new investments: Essex, Davis Hamilton Jackson, and Rorer. With the addition of the three new affiliates, we increased our concentration of investments in equity securities which generally earn higher fees and have historically experienced higher growth in assets under management. These three completed investments added $34.1 million in EBITDA to our existing operations on a pro forma basis for the twelve months ended December 31, 1998.

On January 29, 1999, we entered into a definitive agreement to purchase The Managers Funds, L.P., subject to customary closing conditions. Managers had $1.8 billion in assets under management at December 31, 1998, in a family of 10 mutual funds. Managers selects subadvisers for each of its mutual fund products from a universe of over a thousand investment managers. We describe this transaction below in the "Recent Developments" section of this prospectus.

We continue to seek opportunities to make new investments. We estimate that there are approximately 1,300 mid-sized firms in the United States, Canada and the United Kingdom. We believe that many of the founders of these firms are approaching retirement age and will begin to plan for succession at their firms. We also see opportunities to invest in firms which are currently wholly-owned by larger companies which are looking to exit the business.

We believe that we are well positioned to take advantage of these investment opportunities because our management team has substantial industry experience and expertise in structuring and negotiating transactions, as well as a highly organized process for identifying and contacting investment prospects. We identify and develop relationships with promising potential affiliates based on a thorough understanding of the universe of mid-sized investment management

firms. We try to increase awareness of our approach to investing by actively participating in conferences and seminars related to succession planning for investment management firms. We also maintain a program of visits, telephone calls and other contacts in order to develop relationships with prospective affiliates. We have identified over 750 companies in our target universe. In the past three years, our management team has visited over 440 firms.

Our offices are located at Two International Place, 23rd Floor, Boston, Massachusetts 02110. Our telephone number is (617) 747-3300.

THE OFFERING

The following information assumes that the underwriters do not exercise the option granted by AMG to purchase additional shares in the offering. See "Underwriting".

Shares offered by AMG	4,000,000
Shares offered by the selling stockholders	2,232,920
Total shares offered	6,232,920
Shares to be outstanding after the offering(1)	23,282,559
NYSE symbol	"AMG"
Use of proceeds	To reduce existing indebtedness. See "Use of Proceeds".

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(1) Excludes 1,171,750 shares of Common Stock reserved for issuance upon the exercise of outstanding stock options under our stock option plans.

Except as otherwise indicated in this prospectus, all references in this prospectus to our outstanding Common Stock include our Common Stock, our Class B Non-Voting Common Stock and our Series C Non-Voting Convertible Stock. We are not offering any shares of our Class B Non-Voting Common Stock or our Series C Non-Voting Convertible Stock in this offering.

SUMMARY PRO FORMA FINANCIAL DATA
(IN THOUSANDS, EXCEPT AS INDICATED AND SHARE AND PER SHARE DATA)

The unaudited pro forma consolidated financial data below reflect our investments in Essex, Davis Hamilton Jackson and Rorer and the related financings as if they had occurred on January 1, 1998. The summary pro forma financial data do not necessarily reflect the same results as might have occurred had the transactions reflected actually taken place at the beginning of the period specified. We do not intend the summary pro forma financial data to be a projection of future results. You should read the summary pro forma financial data below together with our consolidated financial statements and the notes to such statements, and the other financial information included or incorporated by reference in this prospectus.

	PRO FORMA NINE MONTHS ENDED SEPTEMBER 30, 1998	PRO FORMA AS ADJUSTED NINE MONTHS ENDED SEPTEMBER 30, 1998(1)
STATEMENT OF OPERATIONS DATA:		
Revenues	$ 189,692	$ 189,692
Operating expenses:		
Depreciation and amortization	18,155	18,155
Other operating expenses	99,321	99,321
Operating income	72,216	72,216
Investment and other income	(1,593)	(1,593)
Interest expense	13,645	7,935
Minority interest	29,227	29,227
Income before income taxes	30,937	36,647
Income taxes	12,994	15,392
Net income	$ 17,943	$ 21,255
Net income per share--diluted	$ 0.92	$ 0.90
Average shares outstanding--diluted	19,553,540	23,553,540
OTHER FINANCIAL DATA:		
Assets under management (at period end, in millions)	$ 56,657	$ 56,657
EBITDA(2)	62,737	62,737
EBITDA as adjusted(3)	36,098	39,410
Historical cash flow from operating activities	35,650	35,650
Historical cash flow used in investing activities	(67,845)	(67,845)
Historical cash flow from financing activities	39,261	39,261

	PRO FORMA SEPTEMBER 30, 1998	PRO FORMA AS ADJUSTED SEPTEMBER 30, 1998(1)
BALANCE SHEET DATA:		
Current assets	$ 74,603	$ 74,603
Acquired client relationships, net	189,210	189,210
Goodwill, net	364,759	364,759
Total assets	647,269	647,269
Current liabilities	22,868	22,868
Senior debt	287,300	176,800
Total liabilities	320,582	210,082
Minority interest	21,264	21,264
Stockholders' equity	305,423	415,923

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(1) The pro forma as adjusted data give effect to our sale of 4,000,000 shares of Common Stock in this offering and the application of the estimated net proceeds to AMG from this offering. See "Use of Proceeds" and "Capitalization".

(2) See note (2) to the Summary Historical Financial Data below.

(3) See note (3) to the Summary Historical Financial Data below.

SUMMARY HISTORICAL FINANCIAL DATA
(IN THOUSANDS, EXCEPT AS INDICATED AND SHARE AND PER SHARE DATA)

We have derived the summary historical consolidated financial data below with respect to our statement of operations data for the three years ended December 31, 1997 and with respect to our balance sheet data as of December 31, 1997 from our audited consolidated financial statements which are incorporated by reference in this prospectus. The summary historical financial data set forth below for the nine month periods ended September 30, 1997 and 1998 and as of September 30, 1997 and 1998 are unaudited and include all adjustments, consisting only of normal, recurring adjustments, in the opinion of our management necessary for a fair presentation of the financial information for such periods. The results of operations for the nine months ended September 30, 1998 may not be an accurate indication of our results for the full year. All but one of our affiliates are majority-owned subsidiaries (we own less than a 50% interest in Paradigm). The portion of each of our affiliate's operating results and net assets that are owned by minority owners of each affiliate is reflected as a reduction of net income and stockholders' equity, respectively, and called minority interest. You should read the summary data below together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes to those statements incorporated by reference in this prospectus.

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1996	1997	1997	1998
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 14,182	$ 50,384	$ 95,287	$ 53,280	$ 158,201
Operating expenses:					
Depreciation and amortization	4,307	8,985	8,558	4,180	14,725
Other operating expenses	8,585	34,228	64,168	40,128	83,201
Operating income	1,290	7,171	22,561	8,972	60,275
Investment and other income	(265)	(337)	(1,174)	(814)	(1,341)
Interest expense	1,244	2,747	8,479	2,707	10,567
Minority interest	2,541	5,969	12,249	6,025	23,981
Income (loss) before income taxes and extraordinary item	(2,230)	(1,208)	3,007	1,054	27,068
Income taxes	706	181	1,364	221	10,827
Income (loss) before extraordinary item	(2,936)	(1,389)	1,643	833	16,241
Extraordinary item(1)	--	(983)	(10,011)	--	--
Net income (loss)	$ (2,936)	$ (2,372)	$ (8,368)	$ 833	$ 16,241
Income (loss) per share--diluted:					
Income (loss) before extraordinary item	$ (2.95)	$ (3.22)	$ 0.20	$ 0.12	$ 0.85
Extraordinary item, net	--	(2.27)	(1.22)	--	--
Net income (loss)	$ (2.95)	$ (5.49)	$ (1.02)	$ 0.12	$ 0.85
Average shares outstanding--diluted	996,144	431,908	8,235,529	6,850,761	19,146,658

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1996	1997	1997	1998
OTHER FINANCIAL DATA:					
Assets under management (at period end, in millions)	$ 4,615	$ 19,051	$ 45,673	$ 37,993	$ 50,054
EBITDA(2)	3,321	10,524	20,044	7,941	52,361
EBITDA as adjusted(3)	1,371	7,596	10,201	5,013	30,967
Cash flow from operating activities	1,292	6,185	16,205	6,749	35,650
Cash flow used in investing activities	(37,781)	(29,210)	(327,275)	(27,007)	(67,845)
Cash flow from financing activities	46,414	15,650	327,112	24,032	39,261

	DECEMBER 31,	SEPTEMBER 30,	
	1997	1997	1998
BALANCE SHEET DATA:			
Current assets	$ 52,058	$ 33,331	$ 68,793
Acquired client relationships, net	142,875	44,917	163,225
Goodwill, net	249,698	53,545	310,430
Total assets	456,990	142,400	557,780
Current liabilities	18,815	17,251	20,379
Senior debt	159,500	63,300	200,300
Total liabilities	180,771	84,800	231,093
Minority interest	16,479	8,775	21,264
Preferred stock	--	53,577	--
Stockholders' equity	259,740	48,825	305,423

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(1) For each of 1996 and 1997 the extraordinary item represents costs that we wrote off due to the early extinguishment of debt.

(2) "EBITDA" represents earnings before interest expense, income taxes, depreciation, amortization and extraordinary items. We believe EBITDA may be useful to investors as an indicator of our ability to service debt, to make new investments and to meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. EBITDA is not a measure of financial performance under generally accepted accounting principles and you should not consider it an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

(3) "EBITDA as adjusted" represents earnings after interest expense and income taxes but before depreciation and amortization and extraordinary items. We believe that this measure may be useful to investors as another indicator of funds available to us, which may be used to make new investments, repay debt obligations, repurchase shares of our Common Stock or pay dividends on our Common Stock. EBITDA as adjusted, as calculated by us, may not be consistent with computations of EBITDA as adjusted by other companies. EBITDA as adjusted is not a measure of financial performance under generally accepted accounting principles and you should not consider it an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

RISK FACTORS

BEFORE PURCHASING SHARES, YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS DESCRIBED BELOW. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, IT COULD MATERIALLY ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION, AND RESULTS OF OPERATIONS. THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE NOT THE ONLY ONES WE ARE FACING. WE MAY HAVE OTHER RISKS AND UNCERTAINTIES OF WHICH WE ARE NOT YET AWARE OR WHICH WE CURRENTLY BELIEVE ARE IMMATERIAL THAT MAY ALSO IMPAIR OUR BUSINESS OPERATIONS. IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE TRADING PRICE OF OUR COMMON STOCK COULD DECLINE AND YOU MAY LOSE ALL OR PART OF THE MONEY YOU PAID TO BUY OUR COMMON STOCK.

SOME OF THE STATEMENTS MADE IN THIS "RISK FACTORS" SECTION AND IN OTHER SECTIONS OF THIS PROSPECTUS, OR IN DOCUMENTS THAT WE HAVE INCORPORATED BY REFERENCE IN THIS PROSPECTUS, ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS INCLUDE, AMONG OTHER THINGS, DESCRIPTIONS OF OUR PLANS AND OBJECTIVES FOR OUR BUSINESS AND OUR FINANCIAL PERFORMANCE, AND THE ASSUMPTIONS THAT UNDERLIE THESE PLANS AND OBJECTIVES AND OTHER FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PROSPECTUS. THEY ALSO INCLUDE STATEMENTS RELATING TO ACQUISITIONS (INCLUDING PRO FORMA FINANCIAL INFORMATION) AND OTHER BUSINESS DEVELOPMENT ACTIVITIES, FUTURE CAPITAL EXPENDITURES, FINANCING SOURCES AND AVAILABILITY AND THE EFFECTS OF REGULATION AND COMPETITION. WE BASE THESE STATEMENTS ON OUR CURRENT EXPECTATIONS, BUT MANY FACTORS AND UNCERTAINTIES, 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 FAILURE OF CLOSING CONDITIONS FOR PENDING INVESTMENTS TO OCCUR AND THE OTHER FACTORS DESCRIBED IN THIS SECTION COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS. WE CAUTION YOU NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE MADE.

OUR GROWTH STRATEGY AND INVESTMENTS MAY NOT BE SUCCESSFUL

Our growth strategy includes acquiring ownership interests in mid-sized investment management firms. To date, we have invested in 13 such firms, which we refer to as our "affiliates". We intend to continue this investment program in the future, assuming that we can find suitable firms to invest in and that we can negotiate agreements on acceptable terms. We cannot be certain that we will be successful in finding or investing in such firms or that they will have favorable operating results.

WE HAD NET LOSSES IN 1994-97, OUR FIRST FOUR YEARS OF OPERATION

We have been in operation for five years and had net losses in the first four years. To date, our growth has come mostly from making new investments. However, the performance of our existing affiliates is becoming increasingly important to our growth. We may not be successful in making new investments and the firms we invest in may fail to carry out their growth or management succession plans. As we continue to execute our business strategy, we may experience net losses in the future, which could have an adverse effect on our financial condition and prospects.

FUTURE FINANCINGS COULD ADVERSELY AFFECT US AND OUR STOCKHOLDERS

A large part of the purchase price we pay for the firms in which we invest usually consists of cash. We believe that our existing cash resources and cash flow from operations will be sufficient to meet our working capital needs for normal operations for the foreseeable future. However, we expect that these sources of capital will not be sufficient to fund anticipated investments in firms. Therefore, we will need to raise capital by making additional long-term or short-term borrowings or by selling more shares, either publicly or privately, in order to complete further investments. This could increase our interest expense, decrease our net income or dilute the interests of our existing shareholders. Moreover, we may not be able to obtain

financing for future investments on acceptable terms, if at all.

OUR USE OF DEBT TO FINANCE ACQUISITIONS COULD ADVERSELY AFFECT US

We plan to use all of the estimated $110.5 million that we will receive from this offering to repay part of our borrowings. We will then have $148.0 million of debt and $182.0 million available to borrow under our credit facility. We can use borrowings under our credit facility for future investments and for our working capital needs only if we continue to meet the financial tests under the terms of the credit facility. We may also borrow an additional $70 million under our credit facility with the consent of our lenders. We anticipate that we will borrow more in the future when we invest in investment management firms. This will subject us to the risks normally associated with debt financing.

Our credit facility contains provisions for the benefit of our lenders which could operate in ways that restrict the manner in which we can conduct our business or may have an adverse impact on your interests as a stockholder. For example:

- Our borrowings under the credit facility are collateralized by pledges of all of our interests in our affiliates (including all interests indirectly held through wholly-owned subsidiaries).

- Our credit facility contains, and future debt instruments may contain, restrictive covenants that could limit our ability to obtain additional debt financing and could adversely affect our ability to make future investments in investment management firms.

- Our credit facility prohibits us from paying dividends and other distributions to our stockholders and restricts us, our affiliates and any other subsidiaries we may have from incurring indebtedness, incurring liens, disposing of assets and engaging in extraordinary transactions. We are also required to comply with the credit facility's financial covenants on an ongoing basis.

- We cannot borrow under our credit facility unless we comply with its requirements.

Because indebtedness under our credit facility bears interest at variable rates, interest rate increases will increase our interest expense, which could adversely affect our cash flow and ability to meet our debt service obligations. Although we have entered into interest rate "hedging" contracts designed to offset a portion of our exposure to interest rate fluctuations above specified levels, we cannot be certain that this strategy will be effective. If prevailing interest rates drop below levels set in our hedging contracts, we may have to pay higher interest rates under the hedging contracts than would otherwise apply under the actual indebtedness.

WRITE-OFFS OF INTANGIBLE ASSETS COULD ADVERSELY AFFECT US

At September 30, 1998, our total assets were $557.8 million, of which $473.7 million were intangible assets consisting of acquired client relationships and goodwill. We cannot be certain that we will ever realize the value of such intangible assets. We are amortizing (writing off) these intangible assets on a straight-line basis over periods ranging from 9 to 28 years in the case of acquired client relationships and 15 to 35 years in the case of goodwill. Pro forma for all investments in our affiliates to date, amortization of intangible assets, including goodwill, would have resulted in a charge to operations of $21.3 million for the year ended December 31, 1997 and $16.0 million for the nine months ended September 30, 1998.

We evaluate each investment and establish appropriate amortization periods based on a number of factors including:

- the firm's historical and potential future operating performance and 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.

After making each investment, we reevaluate these and other factors on a regular basis to determine if the related intangible assets continue to be realizable and if the amortization period continues to be appropriate. In 1995 and 1996, our reevaluations resulted in the write-off of approximately $2.5 million and $4.6 million of unamortized goodwill, respectively.

We do not consider the net unamortized balance of the intangible assets of any of our investments to be impaired as of September 30, 1998. However, any such future determination requiring the write-off of a significant portion of unamortized intangible assets could adversely affect our results of operations and financial position. In addition, we intend to invest in additional investment management firms in the future. While these firms may contribute additional revenue to AMG, they will also result in the recognition of additional intangible assets which will cause further increases in amortization expense.

CHANGES IN ACCOUNTING FOR GOODWILL AMORTIZATION MAY HAVE A MATERIAL ADVERSE AFFECT ON US

The Financial Accounting Standards Board (FASB) is currently considering a new approach for all companies that would require all purchased goodwill to be amortized on a straight-line basis over its useful life, not to exceed 20 years. The FASB is also considering an approach in which the useful life of goodwill would be presumed to be 10 years or less, unless sufficient evidence supports a longer life, not to exceed 20 years. It is unclear whether the FASB's new approach would apply only to newly purchased goodwill or whether it would apply to both previously recorded and newly purchased goodwill. The FASB is expected to issue a statement on this issue in the second quarter of 1999.

We currently amortize goodwill purchased in our 13 investments on a straight line basis ranging from 15 to 35 years. Any changes in GAAP accounting rules that reduce the period over which we may amortize goodwill may have an adverse effect on our acquisition strategy and our financial results. A shorter goodwill amortization period would increase annual amortization expense and reduce our net income over the amortization period.

WE AND OUR AFFILIATES RELY ON KEY MANAGEMENT PERSONNEL AND CANNOT GUARANTEE THEIR CONTINUED SERVICE

We depend on the efforts of William J. Nutt, our President and Chief Executive Officer, Sean M. Healey, our Executive Vice President, and our other officers. Messrs. Nutt and Healey, in particular, play an important role in identifying suitable investment opportunities for us and in structuring and negotiating the terms of our investments in investment management firms. Messrs. Nutt and Healey do not have employment agreements with us, although each of them has a significant equity interest in AMG (including options subject to vesting provisions).

In addition, Tweedy, Browne, our largest affiliate based on revenue, depends heavily on the services of Christopher H. Browne, William H. Browne and John D. Spears. These individuals have managed Tweedy, Browne for over 20 years and are primarily responsible for all of that firm's investment decisions. Although each of these individuals has entered into an employment agreement with Tweedy, Browne providing for continued employment until October 2007, these employment agreements are not a guarantee that these individuals will remain with Tweedy, Browne until that date.

Our loss of key management personnel or our inability to attract, retain and motivate sufficient numbers of qualified management personnel may adversely affect our business. The market for investment managers is extremely competitive and is increasingly

characterized by frequent movement by investment managers among different firms. In addition, because individual investment managers at our affiliates often maintain a strong, personal relationship with their clients based on the clients' trust in individual managers, the loss of a key investment manager at an affiliate could jeopardize the affiliate's relationships with its clients and lead to the loss of client accounts. Losing client accounts in these circumstances could have a material adverse effect on the results of operations and financial condition of AMG and its affiliates. Although we use a combination of economic incentives, vesting provisions, and, in some instances, non-solicitation agreements and employment agreements in an attempt to retain key management personnel, we cannot guarantee that key managers will remain with us.

POOR ECONOMIC AND MARKET CONDITIONS MAY ADVERSELY AFFECT US

Because our affiliates offer a broad range of investment management services and utilize a number of distribution channels, changing conditions in the financial and securities markets directly affect our performance.

The financial markets and the investment management industry in general have experienced both record performance and record growth in recent years. For example, between January 1, 1995 and December 31, 1998, the S&P 500 Index appreciated at a compound annual rate of approximately 30.5% and the aggregate assets under management of mutual and pension funds grew at a compound annual rate of 20.7% during 1995-1997, according to the Federal Reserve Board and the Investment Company Institute. Domestic and foreign economic conditions and general trends in business and finance, among other factors, affect the financial markets and businesses operating in the securities industry. We cannot guarantee that broader market performance will be favorable in the future. Any decline in the financial markets or a lack of sustained growth may result in a corresponding decline in our affiliates' performance and may cause our affiliates to experience declining assets under management and/or fees, which would reduce cash flow distributable to AMG.

POOR PERFORMANCE BY OUR LARGEST AFFILIATE MAY ADVERSELY AFFECT US

Our investment in Tweedy, Browne represents our single largest investment to date, with a purchase price of $300 million. Tweedy, Browne's revenues represented 31.3% of our pro forma revenues for the first nine months of 1998. Poor financial performance by Tweedy, Browne would have an adverse effect on our consolidated results of operations and financial condition.

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

Our affiliates derive almost all of their revenues from investment management contracts. These contracts are typically terminable without penalty upon 60 days' notice in the case of mutual fund clients or upon 30 days' notice in the case of individual and institutional clients. As a result, our affiliates' clients may withdraw funds from accounts managed by the affiliates at their election. In addition, these contracts generally provide for payment based on the market value of assets under management, although a portion also provide for payment based on investment performance. Because most of these contracts provide for payments based on market values of securities, fluctuations in securities prices will directly affect our consolidated results of operations and financial condition. Changes in our clients' investment patterns will also affect the total assets under management. Moreover, some of our affiliates' fees are higher than those of other investment managers for similar types of investment services. The ability of each of our affiliates to maintain its fee levels in a competitive environment depends on its ability to provide clients with investment returns and services which are satisfactory to its clients. We cannot be certain that our affiliates will be able to retain their existing clients or to attract new clients at their current fee levels.

THE FAILURE TO RECEIVE REGULAR DISTRIBUTIONS FROM OUR AFFILIATES WOULD ADVERSELY AFFECT US

Because we are a holding company, we receive all of our cash from distributions made to us by our affiliates. All of our affiliates have entered into agreements with us pursuant to which they have agreed to pay to us a specified percentage of their gross revenues on a quarterly basis. In our agreements with our affiliates, the distributions made to us by our affiliates represent only a portion of our affiliates' gross revenues. Our affiliates use the portion of their revenues not required to be distributed to us to pay their operating expenses and distributions to their management teams. The payment of distributions to us by our affiliates may be subject to the claims of our affiliates' creditors and to limitations applicable to our affiliates under state laws governing corporations, partnerships and limited liability companies, state and federal regulatory requirements for the securities industry and bankruptcy and insolvency laws. As a result, we cannot guarantee that our affiliates will always make these distributions. See "Business--Our Structure and Relationship with Affiliates-- Revenue Sharing Arrangements".

OUR PURCHASE OBLIGATIONS MAY ADVERSELY AFFECT US

When we made our original investments in our affiliates, we agreed to purchase the additional ownership interests in each affiliate from the owners of these interests on pre-negotiated terms which are subject to several conditions and limitations. Consequently, we may have to purchase some of these interests from time to time for cash (which we may have to borrow) or in exchange for newly issued shares of our Common Stock. These purchases may result in us having more interest expense and less net income or in our existing stockholders experiencing a dilution of their ownership in AMG. In addition, these purchases may result in us owning larger portions of our affiliates, which may have an adverse effect on our cash flow and liquidity. See "Business--Our Structure and Relationship with Affiliates--Our Purchase of Additional Interests in Our Existing Affiliates".

OUR ABILITY TO ALTER THE MANAGEMENT PRACTICES AND POLICIES OF OUR AFFILIATES IS LIMITED

Although our agreements with our affiliates give us the authority to control some types of business activities undertaken by them and we have voting rights with respect to significant decisions, our affiliates manage and control their own day-to-day operations, including all investment management policies and fee levels, product development, client relationships, compensation programs and compliance activities. As a result, we may not become aware, for example, of one of our affiliates' non-compliance with a regulatory requirement as quickly as if we were involved in the day-to-day business of the affiliate or we may not become aware of the non-compliance at all. In situations such as the preceding example, our financial condition and results of operations may be adversely affected by problems stemming from the day-to-day operations of our affiliates. See "--Our Affiliates' Businesses Are Highly Regulated". In addition, because our affiliates conduct their own marketing and client relations, they may from time to time compete with each other for clients. See "Business--Our Structure and Relationship with Affiliates".

WE MAY BE RESPONSIBLE FOR LIABILITIES INCURRED BY OUR AFFILIATES

Some of our existing affiliates are partnerships of which we are the general partner. Consequently, to the extent any of these affiliates incurs liabilities or expenses which exceed its ability to pay for them, we are liable for their payment. In addition, we may be held liable in some circumstances as a control person for acts of our affiliates or their employees. AMG and each of its affiliates maintain errors and omissions and general liability insurance in amounts which we believe to be adequate to cover any potential liabilities. We cannot be certain, however, that we will not have claims which exceed the limits of our available insurance coverage, that our insurers

will remain solvent and will meet their obligations to provide coverage, or that insurance coverage will continue to be available to us with sufficient limits or at a reasonable cost. A judgment against us or any of our affiliates in excess of our available coverage could have a material adverse effect on us.

OUR INDUSTRY AND OUR AFFILIATES' INDUSTRY ARE HIGHLY COMPETITIVE

We are an asset management holding company which invests in mid-sized investment management firms. The market for partial or total acquisitions of interests in investment management firms is highly competitive. We have several competitors which are also set up as holding companies and invest in or buy investment management firms. In addition, many other public and private companies, including commercial and investment banks, insurance companies and investment management firms, most of which have longer operating histories and significantly greater resources than us, invest in or buy investment management firms. Moreover, some of our principal stockholders also invest in or buy investment management firms and may compete with us as we pursue additional investments. We cannot guarantee that we will be able to compete effectively with such competitors, that new competitors will not enter the market or that such competition will not make it more difficult or impracticable for us to make new investments in investment management firms.

The investment management business is also highly competitive. Our affiliates compete with a broad range of investment managers, including public and private investment advisers as well as firms associated with securities broker-dealers, banks, insurance companies and other entities. From time to time, our affiliates may also compete with each other for clients. Many of our affiliates' competitors have greater resources than do we and our affiliates. In addition to competing directly for clients, competition may reduce the fees that our affiliates can obtain for their services. We believe that each of our affiliate's ability to compete effectively with other firms is dependent upon the affiliate's products, level of investment performance and client service, as well as the marketing and distribution of its investment products. We cannot be certain that our affiliates will be able to achieve favorable investment performance and retain their existing clients.

OUR INTERNATIONAL OPERATIONS INVOLVE RISKS WHICH MAY ADVERSELY AFFECT US

Some of our affiliates operate or advise clients outside of the United States. Furthermore, in the future we may invest in other investment management firms which operate or advise clients outside of the United States and our existing affiliates may expand their non-U.S. operations. Our affiliates take risks inherent in doing business internationally, such as changes in applicable laws and regulatory requirements, difficulties in staffing and managing foreign operations, longer payment cycles, difficulties in collecting investment advisory fees receivable, political instability, fluctuations in currency exchange rates, expatriation controls and potential adverse tax consequences. We cannot be certain that one or more of these risks will not have an adverse effect on our affiliates, including investment management firms in which we may invest in the future, and, consequently, on our consolidated business, financial condition and results of operations.

OUR AFFILIATES' BUSINESSES ARE HIGHLY REGULATED

Our affiliates' businesses are highly regulated, primarily by U.S. federal authorities and to a lesser extent by other authorities including non-U.S. authorities. The failure of our affiliates to comply with laws or regulations could result in fines, suspensions of individual employees or other sanctions, including revocation of an affiliate's registration as an investment adviser, commodity trading advisor or broker/dealer. Each of our affiliates (other than First Quadrant Limited) is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the

"Investment Advisers Act"), and is subject to the provisions of the Investment Advisers Act and related regulations. The Investment Advisers Act requires registered investment advisers to comply with numerous obligations, including record keeping requirements, operational procedures and disclosure obligations. Each of our affiliates (other than First Quadrant Limited) is also subject to regulation under the securities laws and fiduciary laws of several states. Moreover, some of our affiliates, including Tweedy, Browne, act as advisers or subadvisers to mutual funds which are registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended (the "1940 Act"). As an adviser or subadviser to a registered investment company, each of these affiliates must comply with the requirements of the 1940 Act and related regulations.

Our affiliates are also subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), and related regulations, to the extent they are "fiduciaries" under ERISA with respect to some of their clients. ERISA and related provisions of the Internal Revenue Code of 1986, as amended, impose duties on persons who are fiduciaries under ERISA, and prohibit some transactions involving the assets of each ERISA plan which is a client of an affiliate, as well as some transactions by the fiduciaries (and several other related parties) to such plans. Two of our affiliates, First Quadrant and Renaissance, are also registered with the Commodity Futures Trading Commission as Commodity Trading Advisors and are members of the National Futures Association. Finally, Tweedy, Browne is registered under the Exchange Act as a broker/dealer and, therefore, is subject to extensive regulation relating to sales methods, trading practices, the use and safekeeping of customers' funds and securities, capital structure, record keeping and the conduct of directors, officers and employees.

Furthermore, the Investment Advisers Act and the 1940 Act provide that each investment management contract under which our affiliates manage assets for other parties either terminates automatically if assigned, or must state that it is not assignable without consent. In general, the term "assignment" includes not only direct assignments, but also indirect assignments which may be deemed to occur upon the direct or indirect transfer of a "controlling block" of the voting securities of one of our affiliates. The 1940 Act provides that all investment contracts with mutual fund clients may be terminated by such clients, without penalty, upon no later than 60 days' notice.

Several of our affiliates are also subject to the laws of non-U.S. jurisdictions and non-U.S. regulatory agencies. For example, First Quadrant Limited, located in London, is a member of the Investment Management Regulatory Organisation of the United Kingdom, and some of our other affiliates are investment advisers to funds which are organized under non-U.S. jurisdictions, including Luxembourg (where the funds are regulated by the Institute Monetaire Luxembourgeois) and Bermuda (where the funds are regulated by the Bermuda Monetary Authority).

AMG itself does not engage in the business of providing investment advice and, therefore, is not registered as an investment adviser under federal or state law.

THERE IS A RISK THAT WE WILL NOT BE PREPARED FOR THE IMPACT OF THE YEAR 2000 AND, THEREFORE, WE ARE PROVIDING THE FOLLOWING YEAR 2000 READINESS DISCLOSURE

The "Year 2000" poses a concern to our business as a result of the fact that computer applications have historically used the last two digits, rather than all four digits, to store year data. If left unmodified, these applications would misinterpret the Year 2000 for the year 1900 and would in many cases be unable to function properly in the Year 2000 and beyond.

AMG'S READINESS. In anticipation of this problem, we have identified all of the significant computers, software applications and related equipment used at our holding company that need to be modified, upgraded

or replaced to minimize the possibility of a material disruption to our business based on the advent of the Year 2000. We anticipate completing our Year 2000 preparations at the holding company by the end of the second quarter of 1999. We estimate our total cost will be less than $800,000 for the four year period ending on December 31, 1999. We cannot be certain that we will not encounter unforeseen delays or costs in completing our preparations.

OUR AFFILIATES' READINESS. We have also established a time line with each of our affiliates to complete its Year 2000 preparations and have received estimates from each of them of the costs required to complete their preparations. As part of our general preparedness program, each of our affiliates has assigned responsibility for preparing for the Year 2000 to a member of its senior management in order to ensure that both proprietary and third party vendor systems will be ready for the Year 2000. All of our affiliates have completed their assessment and plans are in place for the renovation or replacement of all non-compatible systems. We anticipate that the affiliates will complete the renovation or replacement of all non-compatible systems and the subsequent testing of all systems in the first half of 1999. Most of our affiliates pay for the costs of their Year 2000 preparations out of their operating allocation, which is the portion of their revenues that is allocated to pay their operating expenses and is not available for distribution to the owners of the affiliates. As a result, these costs will only reduce an affiliate's distributions to AMG based on AMG's ownership interest in the affiliate if the affiliate's operation expenses exceed its operating allocation and the portion of revenues allocated to the management owners.

We have based our evaluation of our ability to prepare for the Year 2000 upon a number of assumptions regarding future events, including third party modification plans and the availability of needed resources. We cannot guarantee that these estimates will be achieved, and actual results may differ materially from our estimates. Specific factors which might cause such material differences with respect to the Year 2000 issue include, but are not limited to, the failure of our affiliates to achieve represented or stated levels of Year 2000 compliance, the availability and cost of personnel trained in this area and the ability to locate and correct all relevant computer codes and similar uncertainties.

BECAUSE OUR BUSINESS COULD BE ADVERSELY AFFECTED IF OUR OUTSIDE SERVICE PROVIDERS ARE NOT PREPARED FOR THE YEAR 2000, WE ARE PROVIDING THE FOLLOWING ADDITIONAL YEAR 2000 READINESS DISCLOSURE.

Outside service providers perform several processes which are critical to our affiliates' business operations, including transfer agency and custody functions. Our affiliates have surveyed these parties and are monitoring their progress. However, our affiliates have limited control, if any, over the actions of these outside parties and in some instances have no alternative vendors. If the affiliates or their outside service providers fail to resolve their Year 2000 issues, we anticipate that our affiliates' operations could experience material disruptions caused by the inability to process trades and access client and investment research data files and, accordingly, our business would be adversely affected.

OUR CHARTER AND BY-LAWS AND DELAWARE LAW MAY IMPEDE TRANSACTIONS FAVORABLE TO OUR STOCKHOLDERS

Several provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated By-laws and Delaware law may, together or separately, prevent a transaction which is beneficial to our stockholders from occurring. These provisions may discourage potential purchasers from presenting acquisition proposals, delay or prevent potential purchasers from acquiring a controlling interest in us, block the removal of incumbent directors or limit the price that potential purchasers might be willing to pay in the future for shares of our Common Stock. These provisions include the issuance, without further stockholder approval, of preferred stock with rights and privileges which could be senior to the Common Stock. We are also subject to Section 203 of the Delaware General

Corporation Law which, subject to a few exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested stockholder" for a period of three years following the date that such stockholder became an interested stockholder.

WE DO NOT PLAN TO PAY DIVIDENDS TO OUR STOCKHOLDERS

We have never declared or paid a cash dividend on our Common Stock. We intend to retain earnings to repay debt and to finance the growth and development of our business and do not anticipate paying cash dividends on our Common Stock in the foreseeable future. Any declaration of cash dividends in the future will depend, among other things, upon our results of operations, financial condition and capital requirements as well as general business conditions. Our credit facility also contains restrictions which prohibit us from making dividend payments to our stockholders. See "Dividend Policy".

MARKET CONDITIONS MAY REDUCE THE TRADING PRICE OF OUR COMMON STOCK

The market price of our Common Stock has historically experienced and may continue to experience high volatility. Our quarterly operating results, changes in general conditions in the economy or the financial markets and other developments affecting us or our competitors could cause the market price of our Common Stock to fluctuate substantially. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has affected the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of our Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

If our stockholders sell substantial amounts of our Common Stock (including shares issued upon the exercise of outstanding options) in the public market following this offering, the market price of our Common Stock could fall. Such sales may also make it more difficult for us to sell equity or equity-related securities in the public market in the future at a time and at a price that we deem appropriate. Upon completion of this offering, we will have 23,282,559 shares of our Common Stock outstanding (based on the number of shares outstanding as of December 31, 1998 and assuming no exercise of outstanding stock options after that date). Of these shares, 18,368,289 shares are freely tradable without restriction under the Securities Act of 1933 (the "Securities Act"). Also, 3,122,703 shares are currently eligible for sale in the public market subject to compliance with the volume and other limitations of Rule 144 under the Securities Act, and 1,791,567 shares will become eligible for sale at various times after the date of this prospectus under Rule 144.

The selling stockholders and all our directors and officers have agreed not to sell a total of 3,318,496 of these shares for periods of 60 to 90 days after the completion of this offering without the consent of the underwriters. In addition, AMG has also agreed not to sell shares for a period of 90 days after the completion of this offering without the consent of the underwriters.

In addition, we have registered for resale the 2,175,000 shares of our Common Stock reserved for issuance under our stock plans. As of December 31, 1998, options to purchase 1,171,750 shares of our Common Stock were outstanding and will be eligible for sale in the public market from time to time subject to vesting and, in the case of some stock options, the expiration of lock-up agreements. The possible sale of a significant number of the shares may cause the price of our Common Stock to fall.

In addition, the holders of approximately 2,987,583 shares of our Common Stock have the right in some circumstances to require us to register their shares under the Securities Act for resale to the public, the holders of approximately 5,370,856 shares have the right to include their shares in any registration statement filed by us and some of the

managers of our affiliates have the right under some circumstances to exchange portions of their interests in our affiliates for shares of our Common Stock. See "Business--Our Structure and Relationship with Affiliates--Our Purchase of Additional Interests in Our Existing Affiliates". Some of these managers also have the right to include these shares in a registration statement filed by us under the Securities Act. By exercising their registration rights and causing a large number of shares to be sold in the public market, these holders may cause the price of our Common Stock to fall. In addition, any demand to include these shares in our registration statements could have an adverse effect on our ability to raise needed capital.

USE OF PROCEEDS

The net proceeds to AMG from the sale of 4,000,000 shares of Common Stock offered by AMG are estimated to be $110.5 million ($136.6 million if the underwriters' over-allotment option is exercised in full) at an assumed public offering price of $29.25 per share and after deducting the estimated underwriting discount and estimated offering expenses payable by AMG. We will not receive any proceeds from the sale of shares of Common Stock by the selling stockholders. See "Selling Stockholders". We intend to use the proceeds from this offering to reduce outstanding indebtedness under our credit facility. Our outstanding indebtedness under our credit facility bears interest at variable rates based on the prime rate or LIBOR and matures in December 2002. This interest rate was 5.7% at January 29, 1999.

DIVIDEND POLICY

We have never declared or paid a cash dividend on our Common Stock. We currently intend to retain earnings to finance the growth and development of our business, including possible investments, and do not anticipate paying cash dividends for the foreseeable future. Any payment of cash dividends in the future will depend upon our financial condition, capital requirements and earnings, as well as other factors our Board of Directors may deem relevant. Our ability to pay dividends on our Common Stock is dependent on the receipt of distributions from our affiliates. In addition, our credit facility prohibits us from making dividend payments to our stockholders.

CAPITALIZATION

The following table sets forth our capitalization at September 30, 1998: (i) on an actual basis; (ii) on a pro forma basis to reflect our recent investments in Davis Hamilton Jackson and Rorer and related financings; and (iii) on the pro forma basis described for those investments, as adjusted to reflect the conversion of 555,555 shares of our Class B Common Stock into Common Stock in connection with this Offering and our use of the estimated net proceeds from this offering as described under "Use of Proceeds".

	HISTORICAL	PRO FORMA	PRO FORMA AS ADJUSTED
		(IN THOUSANDS)	
Senior debt, current portion	$ --	$ --	$ --
Senior debt, long-term portion	200,300	287,300	176,800
Subordinated debt	800	800	800
Total debt	201,100	288,100	177,600
Stockholders' equity:			
Series C Non-Voting Convertible Stock, $.01 par value; 1,750,942 shares authorized, issued and outstanding historical, pro forma and pro forma as adjusted	30,992	30,992	30,992
Common Stock, $.01 par value; 40,000,000 shares authorized; 15,707,417 shares issued and outstanding historical and pro forma; and 20,262,972 shares issued and outstanding pro forma as adjusted(1)	157	157	203
Class B Common Stock, $.01 par value, non-voting; 3,000,000 shares authorized; 1,886,800 shares issued and outstanding historical, pro forma; and 1,331,245 shares issued and outstanding pro forma as adjusted	19	19	13
Additional paid-in capital on Common Stock	273,415	273,415	383,875
Accumulated other comprehensive income	15	15	15
Retained earnings	2,359	2,359	2,359
Less treasury shares	(1,534)	(1,534)	(1,534)
Total stockholders' equity	305,423	305,423	415,923
Total capitalization	$ 506,523	$ 593,523	$ 593,523

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(1) Excludes (i) 92,500 shares of Common Stock reserved for issuance under options outstanding under our 1995 stock plan, of which 53,959 shares were issuable at September 30, 1998 upon the exercise of outstanding stock options at $9.10 per share, and (ii) 898,500 shares of Common Stock reserved for issuance under options outstanding under our 1997 stock plan, of which 32,500 shares were issuable at September 30, 1998 upon the exercise of outstanding stock options at a weighted average exercise price of $34.25 per share. Includes 62,600 shares repurchased after September 30, 1998.

DILUTION

Our pro forma net tangible book value (deficit) at September 30, 1998 was $(248.6) million, or $(14.16) per share of Common Stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less total liabilities, each on a pro forma basis to reflect our recent investments in Davis Hamilton Jackson and Rorer and related financings, divided by the number of shares of Common Stock outstanding. After giving effect to the sale of the 4,000,000 shares of Common Stock offered by AMG in this offering at an assumed public offering price of $29.25 per share (before deducting the estimated underwriting discount and estimated offering expenses), and the application of the estimated net proceeds, our pro forma net tangible book value (deficit) at September 30, 1998 would have been $(138.1) million, or $(6.40) per share. This represents an immediate decrease in the pro forma net tangible book value (deficit) of $7.76 per share to new investors in our Common Stock in this offering.

Assumed public offering price per share(1)		$ 29.25
Pro forma net tangible book value (deficit) per share before this offering	$ (14.16)	
Increase per share attributable to new investors	7.76	
Pro forma net tangible book value (deficit) per share after this offering		(6.40)
Dilution per share to new investors(2)(3)		$ 35.65

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(1) Assumed public offering price before deduction of underwriting discount and estimated expenses of this offering to be paid by AMG.

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

(3) Assumes no exercise of outstanding stock options. As of the date of this prospectus, there are options (including both vested and unvested options) outstanding to purchase 1,171,750 shares of Common Stock at a weighted average exercise price of $26.34. See the notes to our consolidated financial statements incorporated by reference. If any of these options were exercised, there would be further dilution to purchasers of Common Stock in this offering.

Assuming the underwriters' over-allotment options are exercised in full, the pro forma net tangible book value (deficit) at September 30, 1998 would be $(112.0) million, or $(4.98) per share of Common Stock, the immediate increase in pro forma net tangible book value of shares owned by existing stockholders would be $9.18 per share, and the immediate dilution to purchasers of shares of Common Stock in this offering would be $34.23 per share.

PLANNED ACQUISITION OF THE MANAGERS FUNDS, L.P.

On January 29, 1999, we entered into a definitive agreement to acquire substantially all of the partnership interests in The Managers Funds, L.P., which serves as the adviser to a family of ten equity and fixed income no-load mutual funds. These mutual funds had a total of $1.8 billion in assets at December 31, 1998. This transaction is subject to customary closing conditions.

Managers employs an innovative business model whereby it selects subadvisers for its mutual fund products from a universe of over a thousand investment managers. The funds are distributed to retail and institutional clients directly and through intermediaries including independent investment advisers, 401(k) plan sponsors and alliances, broker-dealers, major fund marketplaces and bank trust departments. We believe that the acquisition of Managers will provide some of our affiliates that have traditionally focused on institutional clients with an opportunity to reach new clients through Managers' diverse mutual fund distribution channels.

Except as otherwise specifically indicated in this prospectus, none of the financial or other information contained in this prospectus reflects our planned acquisition of Managers.

FOURTH QUARTER AND FULL YEAR 1998 RESULTS

On January 27, 1999, we reported our financial and operating results for the fourth quarter and year ended December 31, 1998.

Our net income for the fourth quarter was $9.3 million, or $0.48 per share on a diluted basis, on revenues of $80.3 million. Our EBITDA for the fourth quarter was $24.0 million. These results compare to net income before extraordinary item for the fourth quarter 1997 of $0.8 million, or $0.07 per share on a diluted basis, on revenues of $42.0 million, and EBITDA before extraordinary item of $12.1 million. The revenues, EBITDA and net income for the fourth quarter 1998 include substantial performance fees which, due to their dependence on investment results, may not recur to the same magnitude in 1999 and future years.

For the year ended December 31, 1998, our net income was $25.6 million, or $1.33 per share on a diluted basis, on revenues of $238.5 million, while our EBITDA for the year ended December 31, 1998 was $76.3 million. For the year ended December 31, 1997, our net income before extraordinary items was $1.6 million, or $0.20 per share on a diluted basis, on revenues of $95.3 million. Our EBITDA for the year ended December 31, 1997 was $20.0 million.

On a pro forma basis (giving effect to the investments in Essex, completed on March 20, 1998, Davis Hamilton Jackson, completed on December 31, 1998, and Rorer, completed on January 6, 1999, as if each occurred on January 1, 1998), net income for the year ended December 31, 1998 was $28.3 million, or $1.45 per share. Our EBITDA on the same pro forma basis for the year ended December 31, 1998 was $89.3 million.

Pro forma for the investment in Rorer, assets under management at December 31, 1998 were $62.1 billion. Assets under management by Tweedy, Browne, our largest affiliate based on EBITDA Contribution, rose to $6.6 billion, a 24.3% increase for the year. Aggregate net client cash flows were positive for the year at $160 million, although those for the fourth quarter were negative $1.5 billion due to a decline in assets indirectly managed using "overlay" strategies. Overlay assets declined by $1.6 billion in the fourth quarter and for the year. Overlay assets generally carry lower fees than directly managed assets. Excluding the effect of these overlay assets, aggregate directly managed assets of our affiliates increased by $170 million in the fourth quarter and $1.7 billion for the year.

AFFILIATED MANAGERS GROUP, INC.
SUMMARY FINANCIAL DATA
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	THREE MONTHS ENDED DECEMBER 31,		PRO FORMA THREE MONTHS ENDED DECEMBER 31,
	1997	1998	1998 (1)
		(UNAUDITED)	
STATEMENT OF INCOME DATA:			
Revenues	$ 42,007	$ 80,293	$ 88,635
Other operating expenses	24,040	42,390	46,853
Depreciation and amortization	4,378	5,398	6,230
Operating income	13,589	32,505	35,552
Investment and other income	(360)	(910)	(992)
Interest expense	5,772	3,036	4,045
Income before minority interest, income taxes and extraordinary item	8,177	30,379	32,499
Minority interest	(6,224)	(14,862)	(16,232)
Income before income taxes and extraordinary item	1,953	15,517	16,267
Income tax expense	1,143	6,207	6,832
Income before extraordinary item	810	9,310	9,435
Extraordinary item	(10,011)	--	--
Net income (loss)	$ (9,201)	$ 9,310	$ 9,435
Average shares outstanding--diluted	12,344,678	19,360,481	19,358,753
Income before extraordinary item per share--diluted	$ 0.07	$ 0.48	$ 0.49
OTHER FINANCIAL DATA:			
EBITDA (2)	$ 12,103	$ 23,951	$ 26,542
EBITDA as adjusted (3)	5,188	14,708	15,665
EBITDA as adjusted per share (under same method used to calculate diluted earnings per share)	$ 0.42	$ 0.76	$ 0.81

	DECEMBER 31, 1997	DECEMBER 31, 1998	PRO FORMA DECEMBER 31, 1998
		(UNAUDITED)	
BALANCE SHEET DATA:			
Senior debt	$ 159,500	$ 212,500	$ 277,500
Subordinated debt	800	800	800
Stockholders' equity	259,740	313,655	313,655

AFFILIATED MANAGERS GROUP, INC.
SUMMARY FINANCIAL DATA
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	YEAR ENDED DECEMBER 31,		PRO FORMA YEAR ENDED DECEMBER 31,
	1997	1998	1998 (1)
		(UNAUDITED)	
STATEMENT OF INCOME DATA:			
Revenues	$ 95,287	$ 238,494	$ 278,327
Other operating expenses	64,168	125,590	146,175
Depreciation and amortization	8,558	20,124	24,386
Operating income	22,561	92,780	107,766
Investment and other income	(1,174)	(2,251)	(2,585)
Interest expense	8,479	13,603	16,179
Income before minority interest, income taxes and extraordinary item	15,256	81,428	94,172
Minority interest	(12,249)	(38,843)	(45,459)
Income before income taxes and extraordinary item	3,007	42,585	48,713
Income tax expense	1,364	17,034	20,459
Income before extraordinary item	1,643	25,551	28,254
Extraordinary item	(10,011)	--	--
Net income (loss)	$ (8,368)	$ 25,551	$ 28,254
Average shares outstanding--diluted	8,235,529	19,222,831	19,479,900
Income before extraordinary item per share--diluted	$ 0.20	$ 1.33	$ 1.45
OTHER FINANCIAL DATA:			
EBITDA (2)	$ 20,044	$ 76,312	$ 89,278
EBITDA as adjusted (3)	10,201	45,675	52,640
EBITDA as adjusted per share (under same method used to calculate diluted earnings per share)	$ 1.24	$ 2.38	$ 2.70

AFFILIATED MANAGERS GROUP, INC.
SUMMARY FINANCIAL DATA
(IN THOUSANDS, EXCEPT AS INDICATED)

	THREE MONTHS ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1998	PRO FORMA THREE MONTHS ENDED DECEMBER 31, 1998 (1)	PRO FORMA YEAR ENDED DECEMBER 31, 1998 (1)
	(UNAUDITED)			
SUPPLEMENTAL REPORTED AND PRO FORMA INFORMATION:				
Assets under management (at period end, in millions):				
Tweedy, Browne	$ 6,641	$ 6,641	$ 6,641	$ 6,641
Other Affiliates (4)	51,090	51,090	55,490	55,490
Total	$ 57,731	$ 57,731	$ 62,131	$ 62,131
Revenues:				
Tweedy, Browne	$ 18,937	$ 78,243	$ 18,937	$ 78,243
Other Affiliates	61,356	160,251	69,698	200,084
Total	$ 80,293	$ 238,494	$ 88,635	$ 278,327
Owners' Allocation (5):				
Tweedy, Browne	$ 13,072	$ 54,097	$ 13,072	$ 54,097
Other Affiliates	28,902	69,785	32,818	88,936
Total	$ 41,974	$ 123,882	$ 45,890	$ 143,033
EBITDA Contribution (6):				
Tweedy, Browne	$ 9,392	$ 39,284	$ 9,392	$ 39,284
Other Affiliates	17,027	44,676	19,618	57,642
Total	$ 26,419	$ 83,960	$ 29,010	$ 96,926
RECONCILIATION OF EBITDA CONTRIBUTION TO EBITDA:				
Total EBITDA Contribution (as above)	$ 26,419	$ 83,960	$ 29,010	$ 96,926
Less, holding company expenses	(2,468)	(7,648)	(2,468)	(7,648)
EBITDA(2)	$ 23,951	$ 76,312	$ 26,542	$ 89,278

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(1) The pro forma financial data give effect to the investments in Essex, Davis Hamilton Jackson, and Rorer and financing transactions which occurred during 1998 and 1999 as if each of such transactions occurred as of January 1, 1998.

(2) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization and extraordinary items.

(3) EBITDA as adjusted represents earnings after interest expense and income taxes but before depreciation and amortization and extraordinary items.

(4) Assets under management for the three months December 31, 1998 and year ended December 31, 1998 reflect assets for Davis Hamilton Jackson. Revenues, Owners' Allocation and EBITDA Contribution for the same periods do not reflect the investment in Davis Hamilton Jackson due to its closing date of December 31, 1998.

(5) Owners' Allocation represents the portion of an affiliate's revenues which is allocated to the owners of that affiliate, including AMG, generally in proportion to their ownership interests, pursuant to the revenue sharing agreement with such affiliate.

(6) EBITDA Contribution represents the portion of an affiliate's revenues that is allocated to AMG after amounts retained by the affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, income taxes, depreciation and amortization expenses of the affiliate.

OVERVIEW

We acquire equity interests in mid-sized investment management firms and currently derive all of our revenues from those firms. We refer to the firms in which we have invested as our "affiliates". We hold investments in 13 affiliates that managed $62.1 billion in assets at December 31, 1998.

We were founded in 1993 to address the succession and ownership transition issues facing the founders and principal owners of many mid-sized investment management firms. We did this because we believed that many of them wanted a new alternative for shifting ownership to the next generation of management. We developed an innovative transaction structure to serve as a superior succession planning alternative for these firms.

The key component of our transaction structure is our purchase of majority interests in these firms. Within this structure, we allow ongoing managers to keep a significant ownership interest in their firms which they may sell to us in the future, we give management autonomy over the day-to-day operations of their firm, and we allow management to decide how to spend a fixed portion of their revenues on salaries, bonuses and other operating expenses.

We implement our structure through a revenue sharing arrangement with each of our affiliates. This arrangement allocates a specified percentage of revenues, typically 50-70%, for use by the affiliate's management in paying the salaries, bonuses and other operating expenses of the affiliate and the remaining portion of revenues, typically 30-50%, to the owners of that affiliate, including AMG, generally in proportion to their ownership of the affiliate. We believe that our structure is particularly appealing to managers of firms which anticipate strong future growth, because it gives them the opportunity to profit from an affiliate's growth through this revenue sharing arrangement.

The table below depicts the pro forma change in our assets under management (assuming all 13 of our affiliates were included for the entire periods presented).

	YEAR ENDED DECEMBER 31,	
	1997	1998
	(IN MILLIONS)	
Assets under management--beginning	$ 35,324	$ 54,961
Net new sales	12,339	2,001
Market appreciation	7,298	5,169
Assets under management--ending	$ 54,961	$ 62,131

We generally seek to acquire interests in investment management firms with $500 million to $10 billion of assets under management. The growth in the investment management industry has resulted in a significant increase in the number of firms in this size range. We have identified approximately 1,300 of these firms in the United States, Canada and the United Kingdom. We believe that, in the coming years, a substantial number of investment opportunities will arise as founders of these firms approach retirement age and begin to plan for succession. We also anticipate significant additional investment opportunities in firms that are currently wholly-owned by larger entities. We believe that we can take advantage of these investment opportunities because our management team has substantial industry experience and expertise in structuring and negotiating transactions, as well as a highly organized process for identifying and contacting investment prospects.

HOLDING COMPANY OPERATIONS

Our management performs two primary functions:

- implementing our strategy of growth through acquisitions of interests in prospective affiliates; and

- supporting, enhancing, and monitoring the activities of our existing affiliates.

ACQUISITION OF INTERESTS IN PROSPECTIVE AFFILIATES

The acquisition of interests in new affiliates is a primary element of our growth strategy. Our management takes responsibility for each step in this process, including identification and contact of potential affiliates, and the valuation, structuring and negotiation of transactions. In general, we try to initiate our discussions with potential affiliates on an exclusive basis. We do not actively seek to participate in competitive auction processes or employ investment bankers or finders. However, AMG and its transaction structure have been competitive in cases where investment bankers have been involved. Of our 13 affiliates, five were represented by investment bankers while the remaining eight were transactions initiated by our management.

Our management identifies and develops relationships with promising potential affiliates based on a thorough understanding of the universe of mid-sized investment management firms derived from our proprietary database made up of data from third party vendors, public and industry sources and our own research. We use this database to screen and prioritize investment prospects. We also use the database to monitor the level and frequency of interaction with potential affiliates. This database and our related contact management system help us to identify promising potential affiliates and to develop and maintain relationships with these firms.

We try to increase awareness of our approach to investing by actively participating in conferences and seminars related to succession planning for investment management firms. These activities lead to a substantial number of unsolicited calls to AMG by firms considering succession planning issues. In addition, our management maintains an active calling program in order to develop relationships with prospective affiliates. In the past three years, our management has visited over 440 firms. We believe that we have established ongoing relationships with a substantial number of firms which will be considering succession planning alternatives in the future.

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

Upon the negotiation and execution of definitive agreements, the target firm contacts its clients to notify them and seek their consent to the transaction (which constitutes an assignment of the firm's investment advisory contracts), as required by the Investment Advisers Act. If the firm has mutual fund clients, the firm seeks new contracts with those funds, as required by the 1940 Act. The new contracts must be approved by the funds' shareholders through a proxy process.

AFFILIATE SUPPORT

In addition to seeking new investments, we seek to support and enhance the growth and operations of our affiliates. We believe that the management of each affiliate is in the best position to assess its firm's needs and opportunities, and that the autonomy and culture of each affiliate should be preserved. However, when requested by the management of an affiliate, we provide strategic, marketing and operational assistance. We believe that our affiliates find these support services attractive because the services otherwise may not be as accessible or as affordable to mid-sized investment management firms.

In addition to the diverse industry experience and knowledge of our senior management, we maintain relationships with

many consultants whose specific expertise enhances our ability to offer a wide range of assistance. Our initiatives to support our affiliates have included:

- new product development,

- marketing material development,

- institutional sales assistance,

- recruiting,

- compensation evaluation,

- regulatory compliance audits, and

- client satisfaction surveys.

We also work to obtain discounts on some of the products and services that our affiliates need, such as:

- sales training seminars,

- public relations services,

- insurance, and

- retirement benefits.

One way that we seek to enhance the growth of our affiliates is by helping them acquire smaller investment management firms or teams which are not suitable as stand-alone investments by AMG. Mid-sized firms may have difficulty finding and capitalizing on these opportunities on their own. As an example, in July 1998, we structured and financed the acquisition of Sound Capital Partners by The Burridge Group LLC, one of our affiliates.

OUR STRUCTURE AND RELATIONSHIP WITH AFFILIATES

As part of our investment structure, each of our affiliates is organized as a separate and largely autonomous limited liability company or partnership. Each affiliate operates under its own organizational document, a limited liability company agreement or partnership agreement. The organizational document includes provisions regarding the use of the affiliate's revenues and the management of the affiliate. The organizational document also generally gives management owners the ability to realize the value of their retained equity interests in the future. While the organizational document of each affiliate is agreed upon at the time of our investment, from time to time we agree to amendments to accommodate our business needs or those of our affiliates.

OPERATIONAL AUTONOMY OF AFFILIATES

We develop the management provisions in each organizational document jointly with the affiliate's senior management at the time we make our investment. Each organizational document has provisions that differ from the others. However, all of them give the affiliate's management team the power and authority to carry on the day-to-day operations and management of the affiliate, including matters relating to:

- personnel,

- investment management,

- policies and fee structures,

- product development,

- client relationships, and

- employee compensation programs.

However, we retain the authority to prevent some specified types of actions which we believe could adversely affect cash distributions to AMG. For example, none of the affiliates may incur material indebtedness without our consent. AMG itself does not engage in the business of providing investment advice and, therefore, is not registered as an investment adviser.

REVENUE SHARING ARRANGEMENTS

When we make an investment in an affiliate, we negotiate a revenue sharing arrangement with that affiliate, which we place in its organizational document. The revenue sharing arrangement allocates a percentage of revenues (typically 50-70%) for use by management of that affiliate in paying operating expenses of the affiliate, including salaries and bonuses. We call this the "Operating Allocation". We determine the percentage of revenues designated as Operating Allocation for each affiliate in consultation with the managers of the affiliate

at the time of our investment based on the affiliate's historical and projected operating margins. The organizational document of each affiliate allocates the remaining portion of the affiliate's revenues (typically 30-50%) to the owners of that affiliate (including AMG), generally in proportion to their ownership of the affiliate. We call this the "Owners' Allocation" because it is the portion of revenues which the affiliate's management is prohibited from spending on operating expenses without the prior consent of AMG. Each affiliate distributes its Owners' Allocation to its management owners and AMG in proportion to their ownership interests in that affiliate.

Before agreeing to these allocations, we examine the revenue and expense base of the firm. We only agree to a division of revenues if we believe that the Operating Allocation will cover all operating expenses of the affiliate, including in cases involving an increase in expenses, or a decrease in revenues without a corresponding decrease in operating expenses.

While our management has significant experience in the asset management industry, we cannot be certain that we will successfully anticipate changes in the revenue and expense base of any firm. Therefore, we cannot be certain that the agreed-upon Operating Allocation will be large enough to pay for all operating expenses, including salaries and bonuses of the affiliate.

One of the purposes of our revenue sharing arrangements is to provide ongoing incentives for the managers of the 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 the affiliate.

The managers of each affiliate, therefore, have an incentive to both increase revenues (thereby increasing the Operating Allocation) and to control expenses (thereby increasing the excess Operating Allocation).

The revenue sharing arrangements allow AMG to participate in the revenue growth of each affiliate, because AMG receives a portion of the additional revenue as its share of the Owners' Allocation. However, we participate in that growth to a lesser extent than the managers of the affiliate, because we do not share in the growth of the Operating Allocation.

Under the organizational documents of the affiliates, the allocations and distributions of cash to AMG generally take priority over the allocations and distributions to the management owners of the affiliates. This further protects AMG 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 AMG.

This diagram illustrates the typical allocation of our affiliates' revenues.

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

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

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

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

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

OUR PURCHASE OF ADDITIONAL INTERESTS IN OUR EXISTING AFFILIATES

Under our transaction structure, the management team at each affiliate retains an ownership interest in their own firm. We consider this a key way that we provide management with incentives to grow their firms. In order to provide as much incentive as we can, we include in the organizational documents of each affiliate (other than Paradigm) "put" rights for its management owners. The put rights require us periodically to buy part of the management owners' interests in the affiliate, for cash, shares of our Common Stock or a combination of both. In this way, the management owners can realize a portion of the equity value that they create in their firm. In addition, the organizational documents of some of our affiliates provide us with "call" rights that let us require the management owners to sell portions of their interests in the affiliate to AMG. Finally, the organizational documents of each affiliate include provisions obligating each such owner to sell his or her remaining interests at a point in the future, generally after the termination of his or her employment with the affiliate. Underlying all of these provisions is our basic philosophy that management owners of each affiliate should maintain an ownership level in that affiliate within a range that offers them sufficient incentives to grow and improve their business to create equity value for themselves.

PUT RIGHTS. The put rights are designed to let the management owners convert portions of their retained ownership interest into cash, shares of our Common Stock or a combination of both prior to their retirement. In addition, as an alternative to simply purchasing all of a management owner's interest in the affiliate following the termination of his or her employment, the put rights enable us to purchase additional interests in the affiliates at a more gradual rate. We believe that a more gradual purchase of interests in affiliates will make it easier for us to keep our ownership of each affiliate within a desired range. We can do this by transferring purchased interests in the affiliate to more junior members of its management.

In most cases, the put rights do not become exercisable for a period of several years from the date of our investment in an affiliate. Once exercisable, the put rights generally are limited in the aggregate to a percentage of the management owner's ownership interests. The most common formulation among all the affiliates is that a management owner's put rights:

- do not commence for five years from the date of AMG's investment (or, if later, the date he or she purchased his or her interest in the affiliate),

- are limited, in the aggregate, to fifty percent of the interests he or she held in the affiliate, and

- are limited, in any twelve-month period, to ten percent of the greatest interest he or she held in the affiliate. In addition, the organizational documents of the affiliates generally contain a limitation on the maximum total amount that management of any affiliate may require AMG to purchase pursuant to their put rights in any given twelve-month period.

The purchase price under the put rights is generally based on a multiple of the affiliate's Owners' Allocation at the time the right is exercised, with the multiple generally having been determined at the time we made our initial investment.

CALL RIGHTS. The call rights are designed to assure AMG and the management members of some of our affiliates that we can facilitate some transition within the senior management team after an agreed-upon period of time. The call rights vary in each specific instance, but in all cases the timing, mechanism and price are agreed upon when we make our investment. The price is payable in cash or in shares of our Common Stock.

BUY-OUT RIGHTS. The organizational documents of each affiliate provide that the management owners will realize the remaining equity value they have created generally following the termination of their employment with the affiliate. In general, upon a management owner's retirement after an agreed-upon number of years, or upon his or her earlier death, permanent incapacity or termination without cause (but with AMG's consent), that management owner is required to sell to AMG (and AMG is required to purchase from the management owner) his or her remaining interests. The purchase price in these cases is payable either in cash, shares of our Common Stock or a combination of both. The purchase price is generally based on the same formulas that apply to put rights. In general, if a management owner quits early or is terminated for cause, his or her interests will be purchased by AMG for cash at a substantial discount to the price that he or she would otherwise be paid. Also, if a management owner quits or is terminated for cause within the first several years following our investment (or, if later, the date the management owner purchased his or her interest in the affiliate), the management owner generally receives nothing for his or her retained interest.

If an affiliate collects any key-man life insurance or lump-sum disability insurance proceeds upon the death or permanent incapacity of a management owner, the affiliate must use that money to purchase his or her interests. A purchase by an affiliate would have the effect of ratably increasing the ownership percentage of AMG and each of the remaining management owners. By contrast, the purchase of interests by AMG only increases AMG's ownership percentage. The organizational documents of most of the affiliates provide for the purchase of such insurance, to the extent requested by AMG. The premium costs are subtracted from the Owners' Allocation of the affiliate, so all of the affiliate's owners (including AMG and management) bear this cost.

OUR AFFILIATES

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

BURRIDGE

Burridge, founded in 1986, is a Chicago and Seattle-based firm which specializes in the management of mid-capitalization and large-capitalization growth equity portfolios. Burridge's clients include corporate, Taft-Hartley and public pension plans, as well as foundations, endowments and individuals. Burridge has two distinct investment teams, a Chicago-based team which manages its mid-capitalization portfolios, and a Seattle-based team which manages its large-capitalization portfolios. Burridge's management team is led by President and Chief Executive Officer, John H. Streur, Jr.

DAVIS HAMILTON JACKSON

Davis Hamilton Jackson is a Houston-based investment adviser which manages equity securities employing a disciplined growth approach and fixed income instruments. Founded in 1988, the firm is led by its co-founders Robert C. Davis and Jack R. Hamilton, along with a management group of other investment and client service professionals, who serve a diversified client base including pension and profit sharing plans for public and private entities, corporations and Taft-Hartley accounts, as well as trusts, high net worth individuals and a sub-advised mutual fund.

ESSEX

Essex is a Boston-based investment adviser specializing in investing in growth equities and fixed income securities employing a fundamental research-driven approach. Founded in 1976, Essex is led by its founder, Chairman and Chief Investment Officer, Joseph C. McNay, along with a management group led by Stephen D. Cutler, President, and Stephen R. Clark, Executive Vice President. Essex provides investment advisory services to defined benefit plans, endowments, foundations, partnerships and private individuals and acts as a subadviser to a mutual fund.

FIRST QUADRANT

First Quadrant specializes in asset allocation and style management on a global basis. First Quadrant, L.P. is headed by Robert D. Arnott, its Chief Executive Officer, a recognized leader in the field of quantitative investing, and its sister company, First Quadrant Limited, is led by William A. R. Goodsall. First Quadrant employs a highly disciplined quantitative methodology to guide its investment strategy. First Quadrant seeks to add value by assessing relative valuations across major segments of the portfolio: among asset classes, across global markets, among equity styles and in currency allocation. First Quadrant, L.P. has offices in Pasadena, California and Boston, while First Quadrant Limited is based in London. First Quadrant also maintains joint ventures with firms in Toronto, Tokyo and Paris.

GEOCAPITAL

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

GOFEN AND GLOSSBERG

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

HARTWELL

Founded in 1961, Hartwell is a New York-based growth stock manager, whose clients include high net worth individuals, an offshore hedge fund and several large private

foundations. The management team at Hartwell is led by William C. Miller, IV.

PARADIGM

Paradigm is a New York-based leader in equity style management. Paradigm's investment process typically begins by identifying several portfolio management styles from a set of active managers with risk and return characteristics of the chosen styles. The process then takes their portfolios and, using a proprietary model, arrives at a smaller portfolio of stocks with risk and return characteristics that match the larger group. Paradigm is led by James E. Francis, President and Chief Executive Officer. Paradigm has a diversified client list of public and private pension fund clients. AMG holds a minority ownership interest in Paradigm.

RENAISSANCE

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

RORER

Rorer is a value-oriented equity and fixed income manager based in Philadelphia which offers four types of investment management accounts: large cap equity, mid-cap equity, balanced and fixed income. Founded in 1978, Rorer is led by its founder Edward C. Rorer, Chairman and Chief Investment Officer, and a committee including James G. Hesser, President, and Clifford B. Storms, Jr., Director of Research.

SKYLINE

Skyline is a Chicago-based firm which specializes in small-capitalization and mid-capitalization value equities. Skyline manages assets for institutional clients, as well as three no-load mutual funds, SKYLINE SPECIAL EQUITIES, SKYLINE SMALL-CAP VALUE PLUS and SKYLINE SMALL-CAP CONTRARIAN. The firm is led by its President, William Dutton, who was named Morningstar Portfolio Manager of the Year in 1992.

SYSTEMATIC

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

TWEEDY, BROWNE

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

SELLING STOCKHOLDERS

The following table sets forth the number of shares of our Common Stock beneficially owned by each selling stockholder as of December 31, 1998, the number of shares which each selling stockholder will sell in this offering and the number of shares which each selling stockholder will beneficially own upon completion of this offering. The selling stockholders have furnished to us the information set forth below and this information is accurate to the best of our knowledge.

	BENEFICIAL OWNERSHIP PRIOR TO OFFERING (2)			BENEFICIAL OWNERSHIP AFTER OFFERING(2)	
NAME(1)	SHARES	PERCENT	SHARES TO BE SOLD	SHARES	PERCENT
Chase Equity Associates, L.P.(3)	1,666,650	8.6%	555,555	1,111,095	4.8%
BankAmerica Corporation(4)	1,305,160	6.8	200,000	1,105,160	4.7
TA Associates Group(5)	858,821	4.5	858,821	--	--
William J. Nutt(6)	600,741	3.1	50,000	550,741	2.4
Hartford Accident and Indemnity Company	373,150	1.9	200,000	173,150	*
Irwin Lieber(7)	265,972	1.4	26,600	239,372	1.0
Sean M. Healey(8)	255,431	1.3	40,000	215,431	*
Chestnut Group(9)	225,444	1.2	225,444	--	--
Barry K. Fingerhut(10)	185,661	*	20,000	165,661	*
Levon Chertavian, Jr.(11)	101,722	*	7,500	94,222	*
Nathaniel Dalton(12)	78,708	*	20,000	58,708	*
Seth W. Brennan(13)	40,528	*	10,000	30,528	*
Jeffrey S. Murphy(14)	24,761	*	8,400	16,361	*
Jonathan Lieber(15)	17,476	*	3,000	14,476	*
Seth Lieber(16)	17,476	*	4,000	13,476	*
Andrew Fingerhut	15,582	*	2,000	13,582	*
Dana Lieber	15,582	*	1,600	13,982	*

After the offering, our executive officers and directors will hold 1,977,802 shares (including shares subject to vested and unvested options).

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* Less than 1%

(1) The address of Chase Equity Associates, L.P. is 380 Madison Avenue, 12(th) Floor, New York, New York 10017. The address of the TA Associates Group is c/o TA Associates, Inc., High Street Tower, Suite 2500, 125 High Street, Boston, Massachusetts 02110-2720. The address of BankAmerica Corporation is 100 North Tryon Street, Charlotte, North Carolina 28255. The address of Hartford Accident and Indemnity Company is c/o The Hartford Investment Management Company, 55 Farmington Avenue, Hartford, Connecticut 06105. The address of the Chestnut Group is c/o MVP Ventures, 288 Littleton Road, Suite 25, Westford, MA 01886. The address of Messrs. I. Lieber, B. Fingerhut, J. Lieber, A. Fingerhut and S. Lieber and Ms. Lieber is c/o GeoCapital, LLC, 767 Fifth Avenue, 45th Floor, New York, New York 10153-4590. The address of all other listed stockholders is c/o Affiliated Managers Group, Inc., Two International Place, 23rd Floor, Boston, Massachusetts 02110.

(2) In computing the number of shares of voting Common Stock beneficially owned by a person, shares of voting Common Stock subject to options and warrants held by that person that are currently exercisable or that become exercisable within 60 days of December 31, 1998 and shares of voting Common Stock issuable upon conversion of currently convertible securities or securities that could become convertible held by that person are deemed outstanding. For

purposes of computing the percentage of outstanding shares of voting Common Stock beneficially owned by such person, the shares subject to options or warrants or underlying convertible securities that are currently exercisable or convertible or that become exercisable or convertible within 60 days of December 31, 1998 are deemed to be outstanding for such person but are not deemed to be outstanding for purposes of computing the ownership percentage of any other person. As of December 31, 1998, a total of 19,282,559 shares of Common Stock were deemed to be outstanding.

(3) The 1,666,650 shares beneficially owned by Chase Equity Associates, L.P. are shares of non-voting Class B Common Stock, convertible under some circumstances into voting Common Stock.

(4) The 1,305,160 shares beneficially owned by BankAmerica Corporation include (i) 750,000 shares of Common Stock and 220,150 shares of non-voting Class B Common Stock beneficially owned by NationsBanc Investment Corporation; (ii) 235,800 shares beneficially owned by NationsBank, N.A., of which 206,400 shares are held by Trade Street Investment Associates, Inc., of which 122,700 shares are under the discretionary authority of NationsBanc Advisors, Inc.; (iii) 90,400 shares beneficially owned by Bank of America National Trust and Savings Association; and (iv) 8,810 shares held by BankAmerica Capital Corporation. BankAmerica Corporation is a bank holding company and the direct or indirect parent of NationsBanc Investment Corporation, Bank of America National Trust and Savings Association, BankAmerica Capital Corporation and NB Holdings Corporation. NB Holdings Corporation is a holding company and the direct parent of NationsBanc Investment Corporation and NationsBank, N.A. NationsBank, N.A. is a national bank and the direct parent of Trade Street Investment Associates, Inc. and NationsBanc Advisors, Inc.

(5) Includes (i) 446,941 shares owned by Advent Atlantic and Pacific II L.P., (ii) 161,152 shares owned by Advent Industrial II L.P., (iii) 217,372 shares owned by Advent New York L.P., (iv) 24,338 shares owned by TA Associates VII L.P., (v) 4,509 shares owned by TA Associates, Inc., and (vi) 4,509 shares owned by TA Associates Service Corporation. The foregoing partnerships and corporations are part of an affiliated group of investment partnerships and other entities referred to, collectively, as the TA Associates Group. The general partner of each of Advent Industrial II L.P. and Advent New York L.P. is TA Associates VI L.P. The general partner of Advent Atlantic and Pacific II L.P. is TA Associates AAP II Partners L.P. The general partner of each of TA Associates VII L.P., TA Associates VI L.P. and TA Associates AAP II Partners L.P. is TA Associates, Inc. TA Associates, Inc. is also the sole stockholder of TA Associates Service Corporation. In such capacity, TA Associates, Inc. exercises sole voting and investment power with respect to all the shares of Common Stock held of record by the named partnerships or corporations; individually no stockholder, director or officer of TA Associates, Inc. is deemed to have or share such voting or investment power.

(6) Includes 5,823 shares of restricted Common Stock which will vest in March 1999 and 58,181 shares of Common Stock subject to options exercisable within 60 days. Excludes (i) 229,319 shares subject to unvested options and (ii) 89,139 shares held by irrevocable trusts for the benefit of members of Mr. Nutt's immediate family of which Mr. Nutt is not a trustee, of which shares Mr. Nutt disclaims beneficial ownership. Mr. Nutt is our President and Chief Executive Officer and the Chairman of our Board of Directors.

(7) Mr. Lieber is the Chairman and Chief Investment Officer of GeoCapital, an affiliate of AMG.

(8) Includes (i) 8,750 shares of restricted Common Stock which will vest in March 1999, and (ii) 55,431 shares of Common Stock subject to options exercisable within 60 days. Excludes 214,569 shares subject to unvested options. Mr. Healey is our Executive Vice President.

(9) Includes 169,051 shares held by Chestnut III Limited Partnership and 56,393 shares held by Chestnut Capital International III Limited Partnership. Messrs. Jonathan J. Fleming, Michael F. Schiavo, Peter A. Schober and John G. Turner are the general partners of Chestnut III Management Limited Partnership ("CMLP") and MVP Capital Limited Partnerhsip ("MVP"). CMLP has voting and investment power to act for Chestnut III Limited Partnership. MVP has voting and investment power to act for Chestnut Capital International III Limited Partnership.

(10) Mr. Fingerhut is the President of GeoCapital, an affiliate of AMG.

(11) Includes (i) 6,250 shares of restricted Common Stock which will vest in March 1999, and (ii) 19,222 shares of Common Stock subject to options exercisable within 60 days. Excludes 63,278 shares subject to unvested options. Mr. Chertavian is our Senior Vice President, Affiliate Support.

(12) Includes (i) 12,500 shares of restricted Common Stock which will vest in May 1999, and (ii) 30,708 shares of Common Stock subject to options exercisable within 60 days. Excludes 107,292 shares subject to unvested options. Mr. Dalton is our Senior Vice President, General Counsel and Secretary.

(13) Includes (i) 4,375 shares of restricted Common Stock which will vest in March 1999, and (ii) 24,028 shares of Common Stock subject to options exercisable within 60 days. Excludes 80,972 shares subject to unvested options. Mr. Brennan is a Vice President of AMG.

(14) Includes (i) 2,500 shares of restricted Common Stock which will vest in March 1999, and (ii) 13,861 shares of Common Stock subject to options exercisable within 60 days. Excludes 54,139 shares subject to unvested options. Mr. Murphy is a Vice President of AMG.

(15) Mr. Lieber is a portfolio manager with GeoCapital, an affiliate of AMG.

(16) Mr. Lieber is a portfolio manager with GeoCapital, an affiliate of AMG.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission ("SEC") to register the shares offered in this offering. It does not repeat important information that you can find in our registration statement or in the reports and other documents that we file with the SEC. For further information about us and our Common Stock, you should read the registration statement and the exhibits to the registration statement. Statements contained in this prospectus concerning documents we have filed with the SEC as exhibits to the registration statement or otherwise are not necessarily complete and, in each instance, you should refer to the actual filed document.

We have not authorized anyone to provide you any information different from that contained in this prospectus. The Common Stock may be offered for sale only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Common Stock.

In this prospectus, the terms or words "AMG," "we," "us," and "our" refer to Affiliated Managers Group, Inc.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information electronically with the SEC. You may read and copy any document we file at the SEC's public reference rooms at 450 Fifth Street, Mail Stop 1-2, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available from the New York Stock Exchange and at the SEC's website at http://www.sec.gov.

The SEC allows us to "incorporate by reference" the information we file with them. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below, and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended:

- Registration Statement on Form 8-A filed on October 7, 1997,

- Annual Report on Form 10-K for the fiscal year ended December 31, 1997,

- Quarterly Report on Form 10-Q for the quarter ended March 31, 1998,

- Current Report on Form 8-K event date March 20, 1998,

- Amendment No. 1 to Current Report on Form 8-K/A event date March 20, 1998,

- Quarterly Report on Form 10-Q for the quarter ended June 30, 1998,

- Quarterly Report on Form 10-Q for the quarter ended September 30, 1998,

- Current Report on Form 8-K event date January 6, 1999,

- Current Report on Form 8-K event date February 1, 1999, and

- Current Report on Form 8-K event date February 1, 1999.

You may request a copy of these filings, at no cost, by writing or telephoning us at Two International Place, 23(rd) Floor, Boston, MA 02110, telephone (617) 747-3300, attention: Investor Relations.

VALIDITY OF SECURITIES

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

EXPERTS

The following financial statements have been incorporated by reference in this prospectus in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing:

- the consolidated balance sheets of AMG as of December 31, 1996 and 1997 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1997;

- the balance sheets of Essex Investment Management Company, Inc. as of November 30, 1995, 1996 and 1997 and related statements of operations, stockholders' equity and cash flows for each of the three years in the period ended November 30, 1997;

- the statement of financial condition of GeoCapital Corporation as of September 30, 1997 and the related statements of operations, changes in stockholders' equity and cash flows for the year ended September 30, 1997;

- the statements of financial condition of Tweedy, Browne Company L.P. as of October 8, 1997 and the related statements of operations, changes in partners' capital and cash flows for the period January 1, 1997 through October 8, 1997; and

- the statement of financial condition of Gofen and Glossberg, Inc. as of May 6, 1997 and the related statements of operations, changes in shareholders' equity and cash flows for the period January 1, 1997 through May 6, 1997.

UNDERWRITING

AMG, the selling stockholders and the underwriters for the offering (the "Underwriters") named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each Underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and Schroder & Co. Inc. are the representatives of the Underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. Incorporated	
Schroder & Co. Inc.	
Total	6,232,920

If the Underwriters sell more shares than the total number set forth in the table above, the Underwriters have an option to buy up to an additional 934,938 shares from AMG to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the Underwriters will severally purchase shares in approximately the same proportion set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by AMG and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the Underwriters' option to purchase 934,938 additional shares.

Paid by AMG

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the Selling Stockholders

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the Underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the Underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the Underwriters to other brokers or dealers at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial offering price, the representatives of the Underwriters may change the offering price and the other selling terms.

AMG, all of its directors and officers and the selling stockholders have agreed with the Underwriters not to dispose of or hedge any of their Common Stock or securities convertible into or exchangeable for shares of Common Stock during the periods from the date of this prospectus continuing, in the case of AMG, through the date 90 days after the date of this prospectus, and in the case of the directors officers and selling stockholders, through the date either 60 or 90 days after the date of this prospectus, in each case except with the prior written consent of the representatives of the Underwriters. This agreement does not apply to any existing employee benefit plans. See "Risk Factors--Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

In connection with this offering, the Underwriters may purchase and sell shares of Common Stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of a greater number of shares than they are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Stock while this offering is in progress.

The Underwriters also may impose a penalty bid. This occurs when a particular Underwriter repays to the Underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such Underwriter in stabilizing or short-covering transactions.

These activities by the Underwriters may stabilize, maintain or otherwise affect the market price of the Common Stock. As a result, the price of the Common Stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

The Underwriters and their affiliates have in the past provided, and may in the future from time to time provide, investment banking services and general financing and banking to AMG or one or more of the affiliates, for which they may receive customary fees. Among other things, Goldman, Sachs & Co. acted as financial advisor to, and received a customary fee from, the partners of Tweedy, Browne in connection with AMG's investment in Tweedy, Browne in 1997.

Because affiliates of the Underwriters will receive in the aggregate more than 10% of the net proceeds of the offering, the offering is being made pursuant to Rule 2710(e)(8) of the Conduct Rules of the National Association of Securities Dealers, Inc. In particular, The Chase Manhattan Bank, an affiliate of Chase Securities, Inc., one of the Underwriters, is administrative agent and a lender under AMG's credit facility and will receive a portion of the amounts repaid under that facility with the net proceeds to AMG from the shares sold by it. See "Use of Proceeds". Chase Securities Inc. is also an affiliate of Chase Equity Associates, L.P., one of the selling stockholders. See "Selling Stockholders".

AMG and the selling stockholders estimate that their shares of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $ and $, respectively.

AMG and the selling stockholders have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

TABLE OF CONTENTS

6,232,920 Shares

AFFILIATED
MANAGERS GROUP, INC.

Common Stock

[LOGO]

GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO.
MORGAN STANLEY DEAN WITTER
SCHRODER & CO. INC.

Representatives of the Underwriters

PART II: INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCES AND DISTRIBUTION (1)

Expenses of the Registrant in connection with the issuance and distribution of the securities being registered, other than the underwriting discount and commissions, are estimated as follows:

SEC Registration Fee	$ 63,000
NASD and NYSE Fees	23,000
Printing Expenses	133,000
Legal Fees and Expenses	220,000
Accounting Fees and Expenses	345,000
Expenses of Qualification Under State Securities Laws	11,000
Transfer Agent's Fees	75,000
Miscellaneous Costs	72,000
Total	$ 942,000

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(1) The amounts set forth above, except for the SEC, NASD and NYSE Fees, are in each case estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant's Amended and Restated Certificate of Incorporation and Amended and Restated By-laws include provisions to (i) eliminate the personal liability of its directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Section 102 (b) (7) of the General Corporation Law of Delaware (the "Delaware Law") and (ii) authorize the Registrant to indemnify its directors and officers to the fullest extent permitted by Section 145 of the Delaware law, including circumstances in which indemnification is otherwise discretionary. Pursuant to Section 145 of the Delaware Law, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of a corporation, and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. The Registrant believes that these provisions do not eliminate liability for breach of the director's duty of loyalty to the Registrant or its stockholders, or for omissions not in good faith or involving transactions from which the director derived an improper personal benefit or for any willful or negligent payment of any unlawful dividend or any unlawful stock purchase agreement or redemption.

The Registrant has purchased an insurance policy covering the officers and directors of the Registrant with respect to some liabilities arising under the Securities Act or otherwise.

ITEM 16. EXHIBITS

1.1	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 4 to the Registration Statement on Form S-1 of the Registrant (File No. 333-34679))
+3.2	Certificate of Designations, Preferences and Rights of a Series of Stock
3.3	Form of Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to Amendment No. 4 to the Registration Statement on Form S-1 of the Registrant (File No. 333-34679))

4.1	Specimen Certificate of Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 of the Registrant (File No. 333-34679))
5.1	Opinion of Goodwin Procter & Hoar LLP, with respect to the legality of the shares being registered
23.1	Consent of PricewaterhouseCoopers LLP, independent accountants of AMG
23.2	Consent of PricewaterhouseCoopers LLP, independent accountants of Essex Investment Management Company, Inc.
23.3	Consent of PricewaterhouseCoopers LLP, independent accountants of GeoCapital Corporation
23.4	Consent of PricewaterhouseCoopers LLP, independent accountants of Tweedy, Browne Company L.P.
23.5	Consent of PricewaterhouseCoopers LLP, independent accountants of Gofen & Glossberg, Inc.
23.6	Consent of Goodwin Procter & Hoar LLP (included in Exhibit 5.1)
+24.1	Powers of Attorney (included on signature page)

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+ Previously filed.

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned Registrant undertakes that: (1) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus as filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of the Registration Statement as of the time it was declared effective, and (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Commonwealth of Massachusetts, on this 24th day of February, 1999.

AFFILIATED MANAGERS GROUP, INC.

By: /s/ NATHANIEL DALTON
Nathaniel Dalton
Senior Vice President
and General Counsel

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

NAME	TITLE	DATE
* William J. Nutt	Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	February 24, 1999
* Darrell W. Crate	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 24, 1999
* Richard E. Floor	Director	February 24, 1999
* P. Andrews McLane	Director	February 24, 1999

NAME	TITLE	DATE
* John M. B. O'Connor	Director	February 24, 1999
* W. W. Walker, Jr.	Director	February 24, 1999
* William F. Weld	Director	February 24, 1999

/s/ NATHANIEL DALTON

*By: Nathaniel Dalton
Attorney-in-Fact

AFFILIATED MANAGERS GROUP, INC.
COMMON STOCK
(PAR VALUE $.01 PER SHARE)

FORM OF
UNDERWRITING AGREEMENT

, 1999

Goldman, Sachs & Co.,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Morgan Stanley & Co. Incorporated,
Schroder & Co. Inc.,
As representatives of the several Underwriters
named in Schedule I hereto,
c/o Goldman, Sachs & Co.,
85 Broad Street,
New York, New York 10004.

Ladies and Gentlemen:

Affiliated Managers Group, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of 4,000,000 shares and, at the election of the Underwriters, up to 934,938 additional shares of Common Stock, par value $.01 per share ("Stock"), of the Company and the stockholders of the Company named in Schedule II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated herein, to sell to the Underwriters an aggregate of 2,232,920 shares of Stock. The aggregate of 6,232,920 shares to be sold by the Company and the Selling Stockholders is herein called the "Firm Shares" and the aggregate of 934,938 additional shares to be sold by the Company is herein called the "Optional Shares". The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares" .

As used in this Agreement, the term "subsidiaries" of any person shall mean each entity, whether in corporate, partnership or other form, that is controlled, directly or indirectly, by such person or in which such person, directly or indirectly, holds at least a 30% equity interest, including, in the case of subsidiaries of the Company, each of the investment advisory and other entities (together with their respective subsidiaries) listed on Annex A hereto.

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-3 (File No. 333-71561) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto but including all documents incorporated by reference in the prospectus contained therein, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement or document incorporated by reference therein has heretofore been filed with the

Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including (i) the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective and (ii) the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Initial Registration Statement that is incorporated by reference in the Registration Statement;

(ii) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-3;

(iii) The documents incorporated by reference in the Prospectus, when they became or become effective or were or are filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder;

(iv) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto, and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the

Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-3;

(v) The Company and its subsidiaries, taken as a whole, have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, in each case affecting its properties, assets or operations, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, otherwise than as set forth or contemplated in the Prospectus, there has not been any change in the capital stock (other than changes resulting from the exercise of stock options or warrants or conversion of preferred stock after September 30, 1998 and prior to the Time of Delivery) of the Company or any increase in the long-term debt of the Company on a consolidated basis or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(vi) Neither the Company nor any of its subsidiaries owns any real property; the Company and its subsidiaries have good title to all personal property owned by them and material to their respective businesses, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of the property of the Company or subsidiary, as applicable, and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(vii) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation to do business and is in good standing as a foreign corporation in each jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, with such exceptions individually or in the aggregate as would not have a material adverse effect on the business affairs, management, financial position, stockholders' equity or results of operation of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect"); and each subsidiary of the Company has been duly organized or formed and is validly existing as a corporation, limited partnership, limited liability company or general partnership, as the case may be, under the laws of its jurisdiction of organization and each such subsidiary that is a corporation, limited partnership or limited liability company is in good standing under the laws of its jurisdiction of organization;

(viii) The Company has an authorized capitalization as set forth in the Prospectus; upon consummation of the transactions contemplated by this Agreement, the Company will have the authorized capitalization as set forth in the Prospectus; all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description of the Stock contained in the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company which is a corporation have been duly authorized and validly issued, and are fully paid and non-assessable, and (except for directors' qualifying shares and as described generally in the Registration Statement or documents incorporated by reference therein) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, in each case with such exceptions, individually or in

the aggregate, as would not have a Material Adverse Effect. The partnership interests, membership interests and shares of beneficial interest of each subsidiary of the Company which is a partnership, limited liability company or Massachusetts business trust, in each case, as set forth on Annex B hereto have been validly issued in accordance with applicable law and the partnership agreement, limited liability agreement or declaration of trust, as applicable, of such subsidiary, and (except as described generally in the Registration Statement and the documents incorporated by reference therein) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except, in the case of each subsidiary of the Company, for liens, encumbrances, equities or claims which individually or in the aggregate would not be material to the Company's ownership of such subsidiary or to the Company's exercise of its rights with respect to such subsidiary;

(ix) The Shares to be issued and sold by the Company to the Underwriters hereunder will be newly issued, have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Prospectus;

(x) The issue and sale of the Shares to be sold by the Company hereunder, the sale of the Shares to be sold by the Selling Stockholders hereunder and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default or termination under, or require any consent (except such consents as will have been obtained at or prior to the time of such issue and sale) under or with respect to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, with such exceptions individually or in the aggregate as would not have a Material Adverse Effect or a material adverse effect on such compliance or consummation, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company in effect as of the time immediately preceding the relevant Time of Delivery or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, with such exceptions individually or in the aggregate as would not have a Material Adverse Effect or a material adverse effect on such compliance or consummation; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act and the Exchange Act of the Shares, such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters and the clearance of the public offering of the Shares by the Underwriters with the National Association of Securities Dealers, Inc. (the "NASD");

(xi) Neither the Company nor any of its subsidiaries is (A) in violation of its Certificate of Incorporation or By-laws or other constituting or organizational instrument as in effect on the date hereof, with such exceptions, solely with respect to subsidiaries of the Company which are partnerships, limited partnerships or limited liability companies, which, individually or in the aggregate would not have a Material Adverse Effect or a material adverse effect on the validity, performance or consummation of the transactions contemplated by this Agreement, the Power of Attorney (as defined below) or the Custody Agreement (as defined below) or (B) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(xii) The statements set forth in the Company's registration statement on Form 8-A under the Exchange Act (filed with the Commission on October 7, 1997) which incorporate by reference the statements set forth in the Company's registration statement on Form S-1 under the Act (File No. 333-34679) under the caption "Description of Capital Stock", together with the statements set forth in the Company's current report on Form 8-K under the Exchange Act (filed with the Commission on February 1, 1999) under the caption "Series C Stock", in each case insofar as they purport to constitute a summary of the terms of the Stock, are accurate, complete and fair;

(xiii) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would be reasonably likely individually or in the aggregate, to have a Material Adverse Effect; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(xiv) To the extent such registration is required, each of the Company's subsidiaries has been duly registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and each such registration is in full force and effect; the Company is not required to register as an "investment adviser" within the Advisers Act and the rules and regulations of the Commission promulgated thereunder; and neither the Company nor any of its subsidiaries is and, after giving effect to the offering and sale of the Shares, neither will be, an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xv) Each of the Company's subsidiaries is duly registered, licensed or qualified as an investment adviser under state and local laws and is in compliance with all such laws requiring any such registration, licensing or qualification, in each case with such exceptions, individually or in the aggregate, as would not have a Material Adverse Effect; the Company is not required to be registered, licensed or qualified as an investment adviser under the laws requiring any such registration, licensing or qualification in any jurisdiction in which it or its subsidiaries conduct business.

(xvi) The Company is not party to any investment advisory agreement or distribution agreement and is not serving or acting as an investment adviser to any person; each of the investment advisory agreements and distribution agreements to which any of the Company's subsidiaries is a party is a legal and valid obligation of such subsidiary and, to the extent subject thereto, complies with the applicable requirements of the Advisers Act, the Investment Company Act and the rules and regulations of the Commission thereunder, and no such agreement that was either in effect on September 30, 1998 or entered into by a subsidiary since September 30, 1998 has been terminated or expired, except where the failure to so comply or any such termination or expiration would not, individually or in the aggregate, have a Material Adverse Effect; none of such subsidiaries is in breach or violation of or in default under any such agreement with such exceptions individually or in the aggregate as would not have a Material Adverse Effect; and no subsidiary of the Company is serving or acting as an investment adviser to any person except pursuant to an agreement to which such subsidiary is a party and which is in full force and effect, other than any agreements the non-existence of which would not, individually or in the aggregate, have a Material Adverse Effect;

(xvii) Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes; (xviii) Each of PricewaterhouseCoopers LLP and Potter, Littlewood & Petty P.C., who have certified certain financial statements of the Company is an independent public accountant as required by the Act and the rules and regulations of the Commission thereunder; and

(xix) The Company has initiated a review of its operations and that of its subsidiaries and any third parties with which the Company or any of its subsidiaries has a material relationship to evaluate the extent to which the business or operations of the Company or any of its subsidiaries will be affected by the Year 2000 Problem. Although such a review has not been completed, as a result of the review that has been conducted to the date hereof, other than as described in the Prospectus, the Company currently has no reason to believe and currently does not believe that the Year 2000 Problem will have a Material Adverse Effect or result in any material loss or interference with the Company's business or operations. The "Year 2000 Problem" as used herein means any significant risk that computer hardware or software used in the receipt, transmission, processing, manipulation, storage, retrieval, retransmission or other utilization of data or in the operation of mechanical or electrical systems of any kind will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000.

(b) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All material consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement, the Power of Attorney and the Custody Agreement hereinafter referred to, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder have been obtained; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound, or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation, the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder, with such exceptions individually or in the aggregate as would not have a material adverse effect on the business affairs, management, financial position, stockholders' equity or results of operation of such Selling Stockholder and its subsidiaries, taken as a whole, or a material adverse effect on the validity, performance or consummation of the transactions contemplated by this Agreement, the Power of Attorney (as defined below) or the Custody Agreement (as defined below);

(iii) Such Selling Stockholder has, and immediately prior to the First Time of Delivery (as defined in Section 4 hereof) such Selling Stockholder will have, good and valid title to the Shares to be sold by such Selling Stockholder hereunder, free and clear of all liens, encumbrances, equities or claims; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters; provided, that each such Underwriter has purchased such Shares in good faith and without notice of any such lien, encumbrance, equity or claim or any other adverse claim within the meaning of the Uniform Commercial Code as adopted in the State of New York (the "Code");

(iv) During the period beginning from the date hereof and continuing to and including, with respect to the Selling Stockholders listed on Schedule III-A hereto, the date 90 days, and with respect to the Selling Stockholders listed on Schedule III-B hereto, the date 60 days, after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any Stock or securities of the Company that are substantially similar to the Stock, or which are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without your prior written consent;

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares except for the arrangements described in subsection (b)(iv) above;

(vi) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein, such Preliminary Prospectus and the Registration Statement did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus, when they become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(vii) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the First Time of Delivery (as hereinafter defined) a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof);

(viii) Certificates in negotiable form representing all of the Shares to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement, in the form heretofore furnished to you (the "Custody Agreement"), duly executed and delivered by such Selling Stockholder to , as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you (the "Power of Attorney"), appointing the persons indicated in Schedule II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement; and

(ix) The Shares represented by the certificates held in custody for such Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership or

corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares hereunder, certificates representing the Shares shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreement; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event.

2. Subject to the terms and conditions herein set forth, (a) the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of $, the number of Firm Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Firm Shares to be sold by the Company and each of the Selling Stockholders as set forth opposite their respective names in Schedule II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company and all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to 934,938 Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering overallotments in the sale of the Firm Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders (in the case of Firm Shares sold by them) to Goldman, Sachs & Co., through the facilities of The Depository Trust Company for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company and the Custodian (in the case of Firm Shares sold by the Selling Stockholders), as their interests may appear, to Goldman, Sachs & Co. at least forty-eight hours in advance. The

Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004 (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York time, on , 1999 or such other time and date as Goldman, Sachs & Co., the Company and the Selling Stockholders may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(l) hereof, will be delivered at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at each Time of Delivery. A meeting will be held at the Closing Location at 2:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Shares; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its commercially reasonable best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided

that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter or dealer is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter or dealer, to prepare and deliver to such Underwriter or dealer as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 90 days after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any Stock or securities of the Company that are substantially similar to the Stock, or which are convertible into or exchangeable or exercisable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option or stock purchase plans existing on, or upon the conversion or exchange of convertible or exchangeable securities, or the exercise of warrants, outstanding as of, the date of this Agreement, and other than shares of Stock or such other securities issued as consideration in investments or acquisitions made by the Company or any of its subsidiaries, provided that such securities are made subject to the same 90-day restriction), without your prior written consent;

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the

business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds";

(i) To use its commercially reasonable best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the "Exchange"); and

(j) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act.

6. (a) The Company covenants and agrees with the several Underwriters that it will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents printed or produced by or on behalf of the Company in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the NASD of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section; and (b) the Company and each of the Selling Stockholders, jointly and severally, covenant and agree with one another and with the several Underwriters that each such Selling Stockholder will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations hereunder which are not otherwise specifically provided for in this Section, including (i) any fees and expenses of counsel for such Selling Stockholder, (ii) such Selling Stockholder's pro rata share of the fees and expenses of the Attorneys-in-Fact and the Custodian and (iii) all expenses and taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder, in each case unless the Company actually pays such costs and expenses on behalf of such Selling Stockholder. In connection with Clause (b) (iii) of the preceding sentence, Goldman, Sachs & Co. agrees to pay New York State stock transfer tax, and each Selling Stockholder agrees to reimburse Goldman, Sachs & Co. for associated carrying costs if such tax payment is not rebated on the day of payment and for any portion of such tax payment not rebated. It is understood, however, that the Company shall bear, and the Selling Stockholders shall not be required to pay or to reimburse the Company for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and of the Selling Stockholders herein are, at and as of such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed, in all material respects, all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction; and if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement;

(b) Sullivan & Cromwell, counsel for the Underwriters, shall have furnished to you such opinion or opinions, dated such Time of Delivery, with respect to the incorporation and good standing of the Company, the Shares being delivered at such Time of Delivery, this Agreement, the Registration Statement and the Prospectus as well as such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Goodwin, Procter & Hoar LLP, counsel for the Company, shall have furnished to you their written opinion and letter in substantially the form of Annex II-A and II-B hereto;

(d) The respective counsel for each of the Selling Stockholders, as indicated in Schedule II hereto, each shall have furnished to you their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel, dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) A Power of Attorney and a Custody Agreement have been duly executed and delivered by such Selling Stockholder and constitute valid and legally binding agreements of such Selling Stockholder, enforceable against such Selling Stockholder in accordance with their respective terms, subject, as to enforcement, to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability affecting creditors' rights and to general equity principles;

(ii) This Agreement has been duly executed and delivered by or on behalf of such Selling Stockholder; and the sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound, or, to such counsel's knowledge, to which any of the property or assets of such Selling Stockholder is subject, nor, to such counsel's knowledge, will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation, the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder, with such exceptions individually or in

the aggregate as would not have a material adverse effect on the business affairs, management, financial position, stockholders' equity or results of operation of such Selling Stockholder and its subsidiaries, taken as a whole, or a material adverse effect on the validity, performance or consummation of the transactions contemplated by this Agreement, the Power of Attorney or the Custody Agreement;

(iii) No material consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the Shares to be sold by such Selling Stockholder hereunder except such as have been obtained under the Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of such Shares by the Underwriters;

(iv) To the knowledge of such counsel, immediately prior to the First Time of Delivery such Selling Stockholder had good and valid title to the Shares to be sold at the First Time of Delivery by such Selling Stockholder under this Agreement, free and clear of all liens, encumbrances, equities or claims, and full right, power and authority to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; and

(v) Good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, has been transferred to each of the several Underwriters who have purchased such Shares in good faith and without notice of any such lien, encumbrance, equity or claim or any other adverse claim within the meaning of the Code.

In rendering such opinion, such counsel may state that they express no opinion as to the laws of any jurisdiction outside the United States and in rendering the opinion in subparagraph (iv) such counsel may rely upon a certificate of such Selling Stockholder in respect of matters of fact as to ownership of, and liens, encumbrances, equities or claims on the Shares sold by such Selling Stockholder, provided that such counsel shall state that they believe that both you and they are justified in relying upon such certificate. Such counsel may also state that it has made no special inquiry or investigation in respect of opinions that are rendered to the knowledge of such counsel;

(e) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, each of PricewaterhouseCoopers LLP and Potter, Littlewood & Petty P.C. shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to you, to the effect set forth in Annex I-1 and II-1 hereto, respectively (the executed copy of the letter delivered prior to the execution of this Agreement is attached as Annex I(a) -1 and II(a)-1 hereto, respectively and, in the case of PricewaterhouseCoopers LLP only, a draft of the form of letter to be delivered on the effective date of any post-effective amendment to the Registration Statement and, in the case of PricewaterhouseCoopers LLP only, as of each Time of Delivery is attached as Annex I(b) hereto);

(f)(i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, in each case affecting its properties, assets or operations, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock (other than changes resulting from the exercise of stock options or warrants or conversion of preferred stock after September 30, 1998 and prior to the Time of Delivery) or any increase in the long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or

affecting the business affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in Clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(g) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock;

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this Clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(i) The Shares to be sold by the Company and the Selling Stockholders at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(j) The Company has obtained and delivered to the Underwriters executed copies of an agreement from all of the stockholders, directors and officers listed in Schedules III-A, III-B and III-C hereto, respectively, substantially to the effect set forth in Subsection 1(b)(iv) hereof in form and substance satisfactory to you;

(k) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(l) The Company and the Selling Stockholders shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company and of the Selling Stockholders, respectively, satisfactory to you as to the accuracy of the representations and warranties of the Company and of the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by the Company and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, and as to such other matters as you may reasonably request, and the Company shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as you may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for

any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; PROVIDED, HOWEVER, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each of the Selling Stockholders severally and not jointly will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; PROVIDED, HOWEVER, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein; provided, further, that the liability of a Selling Stockholder pursuant to this subsection (b) shall not exceed the product of the number of Shares sold by such Selling Stockholder and the initial public offering price of the Shares as set forth in the Prospectus.

(c) Each Underwriter will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under subsection (a), (b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect

thereof is to be made against an indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (d) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares purchased under this Agreement (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Shares purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (e) were determined by PRO RATA allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the

losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), (i) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and (ii) no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the product of the number of Shares sold by such Selling Stockholder and the initial public offering price of the Shares as set forth in the Prospectus exceeds the amount of any damages, which such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company and the respective Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company or any Selling Stockholder and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company and the Selling Stockholders that you have so arranged for the purchase of such Shares, or the Company and the Selling Stockholders notify you that they have so arranged for the purchase of such Shares, you or the Company and the Selling Stockholders shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter

agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholders, except for the expenses to be borne by the Company and the Selling Stockholders and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein, the Company and each of the Selling Stockholders pro rata (based on the number of Shares to be sold by the Company and such Selling Stockholder hereunder) will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter in respect of the Shares not so delivered except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives and in all dealings with any Selling Stockholder hereunder, you and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 32 Old Slip, 9th Floor, New York, New York 10004, Attention: Registration Department; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to counsel for such Selling Stockholder at its address set forth in Schedule II hereto; and if to the Company shall be delivered or sent by mail to the address

of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(d) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he has been duly appointed as Attorney-in-Fact by such Selling Stockholder pursuant to a validly existing and binding Power of Attorney which authorizes such Attorney-in-Fact to take such action.

Very truly yours,

Affiliated Managers Group, Inc.

By:

Name:
Title:

[NAMES OF SELLING STOCKHOLDERS]

By:

Name:
Title:

As Attorney-in-Fact acting on behalf of each of the Selling Stockholders named in Schedule II to this Agreement.

Accepted as of the date hereof:

Goldman, Sachs & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. Incorporated
Schroder & Co. Inc.

By: Goldman, Sachs & Co.

- ---

(Goldman, Sachs & Co.)

ON BEHALF OF EACH OF THE UNDERWRITERS

SCHEDULE I

UNDERWRITER	TOTAL NUMBER OF FIRM SHARES PURCHASED	NUMBER OF OPTIONAL SHARES TO BE PURCHASED IF MAXIMUM OPTION EXERCISED
Total.....	-	-

SCHEDULE II

	TOTAL NUMBER OF FIRM SHARES TO BE SOLD	NUMBER OF OPTIONAL SHARES TO BE SOLD IF MAXIMUM OPTION EXERCISED
The Company.....		
The Selling Stockholder(s):		
[NAME OF SELLING STOCKHOLDER](a).....		
[NAME OF SELLING STOCKHOLDER](b).....		
[NAME OF SELLING STOCKHOLDER](c).....		
[NAME OF SELLING STOCKHOLDER](d).....		
[NAME OF SELLING STOCKHOLDER](e).....		
Total		

- ------------------------

(a) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

(b) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

(c) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

(d) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)] , and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

(e) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

SCHEDULE III-A*

- ------------------------

* List officers and directors of the Company who are Selling Stockholders.

SCHEDULE III-B*

- ------------------------

* List Selling Stockholders who are not officers or directors of the Company.

SCHEDULE III-C*

- ------------------------

* List officers and directors of the Company who are not Selling Stockholders.

ANNEX I-1

Pursuant to Section 7(e) of the Underwriting Agreement, PricewaterhouseCoopers LLP shall furnish letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements and any supplementary financial information and schedules (and, if applicable, financial forecasts and/or pro forma financial information) examined by them and included or incorporated by reference in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act or the Exchange Act, as applicable, and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited consolidated interim financial statements, selected financial data, pro forma financial information, financial forecasts and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such letter, as indicated in their reports thereon, copies of which have been furnished to the representatives of the Underwriters (the "Representatives");

(iii) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included in the Company's Quarterly Reports on Form 10-Q incorporated by reference into the Prospectus as indicated in their reports thereon copies of which have been separately furnished to the Representatives and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vi)(A)(i) below comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations, nothing came to their attention that cause them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(iv) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the five most recent fiscal years included in the Prospectus and included or incorporated by reference in Item 6 of the Company's Annual Report on Form 10-K for the most recent fiscal year agrees with the corresponding amounts (after restatement where applicable) in the audited consolidated financial statements for such five fiscal years which were included or incorporated by reference in the Company's Annual Reports on Form 10-K for such fiscal years;

(v) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulation S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform in all material respects with the disclosure requirements of Items 301, 302, 402 and 503(d), respectively, of Regulation S-K;

(vi) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim

financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(A) (i) the unaudited consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included or incorporated by reference in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act as it applies to Form 10-Q and the related published rules and regulations, or (ii) any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus or included in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus for them to be in conformity with generally accepted accounting principles;

(B) any other unaudited income statement data and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(C) the unaudited financial statements which were not included in the Prospectus but from which were derived any unaudited condensed financial statements referred to in Clause (A) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in Clause (B) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(D) any unaudited pro forma consolidated condensed financial statements included or incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(E) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest balance sheet included or incorporated by reference in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with amounts shown in the latest balance sheet included or incorporated by reference in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(F) for the period from the date of the latest financial statements included or incorporated by reference in the Prospectus to the specified date referred to in Clause (E) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for decreases or increases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(vii) In addition to the examination referred to in their report(s) included or incorporated by reference in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus (excluding documents incorporated by reference), or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives or in documents incorporated by reference in the Prospectus specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

EXHIBIT 5.1

February 24, 1999

Affiliated Managers Group, Inc.
Two International Place, 23rd Floor
Boston, Massachusetts 02110

Ladies and Gentlemen:

This opinion is furnished in connection with the filing by Affiliated Managers Group, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission under the Securities Act of 1933 of a Registration Statement on Form S-3 (the "Registration Statement") relating to 7,167,858 shares of common stock, par value $.01 per share (the "Common Stock"), of the Company (the "Registered Shares"). Of the 7,167,858 Registered Shares, 4,000,000 are to be sold by the Company (the "Primary Shares"), 2,232,920 are to be sold by certain stockholders of the Company (the "Selling Stockholders") (the "Selling Stockholder Shares") and 934,938 may be sold by the Company pursuant to the over-allotment option to the Underwriters (as defined below) (together with the Primary Shares, the "Company Shares"). All of the Registered Shares are to be sold to the several underwriters (the "Underwriters") for whom Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and Schroder & Co. Inc. are acting as representatives pursuant to an underwriting agreement to be entered into between the Company, the Selling Stockholders and the Underwriters (the "Underwriting Agreement").

In connection with rendering this opinion, we have examined the form of the proposed Underwriting Agreement being filed as an exhibit to the Registration Statement; the Amended and Restated Certificate of Incorporation and Amended and Restated By-laws of the Company, each as amended to date; such records of the corporate proceedings of the Company as we deemed material; and such other certificates, receipts, records and documents as we considered necessary for the purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as certified, photostatic or facsimile copies, the authenticity of the originals of such copies and the authenticity of telephonic confirmations of public officials and others. As to facts material to our opinion, we have relied upon certificates or telephonic confirmations of public officials and certificates, documents, statements and other information of the Company or representatives or officers thereof.

We express no opinion concerning the laws of any jurisdictions other than the laws of the United States of America and The Commonwealth of Massachusetts and the Delaware General Corporation Law (the "DGCL").

Based upon the foregoing, we are of the opinion that (A) when the Underwriting Agreement is completed (including the insertion therein of pricing terms) and executed by the Company and the Underwriters, and the Company Shares are sold to the Underwriters and paid for pursuant to the terms of the Underwriting Agreement, the Company Shares will be duly authorized, validly issued, fully paid and nonassessable, and (B) the Selling Stockholder Shares are duly authorized, validly issued, fully paid and non-assessable by the Company under the DGCL.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us with respect to this opinion under the heading "Validity of Securities" in the Prospectus which is a part of such Registration Statement.

Very truly yours,

/s/ GOODWIN, PROCTER & HOAR LLP
Goodwin, Procter & Hoar LLP

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-71561) of our report dated February 10, 1998, except for Note 16 for which the date is March 20, 1998, on our audits of the consolidated financial statements and financial statement schedule of Affiliated Managers Group, Inc. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

Boston, Massachusetts

February 24, 1999

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-71561) of our report dated April 24, 1998, on our audit of the financial statements of Essex Investment Management Company, Inc. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

Boston, Massachusetts

February 24, 1999

EXHIBIT 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-71561) of our report dated April 22, 1998, on our audit of the financial statements of GeoCapital Corporation. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

New York, New York

February 24, 1999

EXHIBIT 23.4

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-71561) of our report dated April 22, 1998, on our audit of the financial statements of Tweedy, Browne Company L.P. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

New York, New York

February 24, 1999

EXHIBIT 23.5

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-71561) of our report dated May 29, 1998, on our audit of the financial statements of Gofen and Glossberg, Inc. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

Chicago, Illinois

February 24, 1999