SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1999
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________

Commission File Number 001-13459

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

DELAWARE	04-3218510
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

Two International Place, Boston, Massachusetts 02110
(Address of principal executive offices)

(617) 747-3300
(Registrant's telephone number, including area code)

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

Number of shares of the Registrant's Common Stock outstanding at November 12, 1999: 23,083,947 including 1,492,079 shares of Class B Non-Voting Common Stock. Unless otherwise specified, the term Common Stock includes both Common Stock and Class B Non-Voting Common Stock.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	December 31, 1998	September 30, 1999 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,735	$ 35,529
Investment advisory fees receivable	66,939	45,413
Other current assets	5,137	8,310
Total current assets	95,811	89,252
Fixed assets, net	8,001	11,347
Equity investment in Affiliate	1,340	1,528
Acquired client relationships, net of accumulated amortization of $13,870 and $20,844, respectively	169,065	189,106
Goodwill, net of accumulated amortization of $23,191 and $32,717, respectively	321,409	385,909
Notes receivable from related parties	1,700	5,119
Other assets	8,008	8,776
Total assets	$ 605,334	$ 691,037
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$ 42,617	$ 50,880
Notes payable to related parties	22,000	---
Total current liabilities	64,617	50,880
Senior bank debt	190,500	157,500
Deferred taxes	10,410	17,575
Other long-term liabilities	1,204	1,313
Subordinated debt	800	800
Total liabilities	267,531	228,068
Minority interest	24,148	20,488
Stockholders' equity:		
Convertible stock	30,992	---
Common stock	177	235
Additional paid-in capital on common stock	273,413	405,669
Accumulated other comprehensive income	16	5
Accumulated earnings	11,669	39,184
	316,267	445,093
Less treasury shares	(2,612)	(2,612)
Total stockholders' equity	313,655	442,481
Total liabilities and stockholders' equity	$ 605,334	$ 691,037

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

AFFILIATED MANAGERS GROUP, INC.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1998	1999	1998	1999
Revenues	$ 55,892	$ 85,395	$ 158,201	$ 232,099
Operating expenses:				
Compensation and related expenses	19,281	30,808	55,359	81,522
Amortization of intangible assets	4,530	5,649	12,877	16,500
Depreciation and other amortization	736	861	1,849	2,752
Selling, general and administrative	8,190	13,655	22,830	36,824
Other operating expenses	1,806	2,168	5,011	6,162
	34,543	53,141	97,926	143,760
Operating income	21,349	32,254	60,275	88,339
Non-operating (income) and expenses:				
Investment and other income	(500)	(881)	(1,341)	(2,539)
Interest expense	3,564	2,699	10,567	8,955
	3,064	1,818	9,226	6,416
Income before minority interest and income taxes	18,285	30,436	51,049	81,923
Minority interest	(8,512)	(12,714)	(23,981)	(35,288)
Income before income taxes	9,773	17,722	27,068	46,635
Income taxes	3,909	7,266	10,827	19,120
Net income	$ 5,864	$ 10,456	$ 16,241	$ 27,515
Net income per share - basic	$ 0.33	$ 0.45	$ 0.92	$ 1.26
Net income per share - diluted	$ 0.30	$ 0.45	$ 0.85	$ 1.22
Average shares outstanding - basic	17,627,839	23,282,559	17,613,291	21,876,944
Average shares outstanding - diluted	19,546,983	23,403,540	19,146,658	22,517,737

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1998	1999	1998	1999
Net income	$ 5,864	$ 10,456	$ 16,241	$ 27,515
Foreign currency translation adjustment, net of taxes	7	104	45	(11)
Comprehensive income	$ 5,871	$ 10,560	$ 16,286	$ 27,504

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

AFFILIATED MANAGERS GROUP, INC.

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

	For the Nine Months Ended September 30,	
	1998	1999
Cash flow from operating activities:		
Net income	$ 16,241	$ 27,515
Adjustments to reconcile net income to net cash flow from operating activities:		
Amortization of intangible assets	12,877	16,500
Depreciation and other amortization	1,849	2,752
Deferred income tax provision	---	7,165
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable	(8,323)	30,708
Increase in other current assets	(1,301)	(2,864)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	9,522	(2,932)
Minority interest	4,785	(3,660)
Cash flow from operating activities	35,650	75,184
Cash flow used in investing activities:		
Purchase of fixed assets	(2,658)	(3,985)
Costs of investments, net of cash acquired	(65,389)	(101,382)
Distribution received from Affiliate equity investment	495	366
Increase in other assets	(293)	(1,381)
Loans to related parties	---	(3,137)
Cash flow used in investing activities	(67,845)	(109,519)
Cash flow from financing activities:		
Borrowings of senior bank debt	74,300	138,800
Repayments of senior bank debt	(33,500)	(171,800)
Repayments of notes payable	---	(22,000)
Issuance (repurchase) of equity securities	(1,539)	101,322
Debt issuance costs	---	(180)
Cash flow from financing activities	39,261	46,142
Effect of foreign exchange rate changes on cash flow	45	(13)
Net increase in cash and cash equivalents	7,111	11,794
Cash and cash equivalents at beginning of period	22,766	23,735
Cash and cash equivalents at end of period	$ 29,877	$ 35,529
Supplemental disclosure of non-cash financing activities:		
Stock issued in acquisitions	$ 30,992	$ ---

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

1. BASIS OF PRESENTATION

The consolidated financial statements of Affiliated Managers Group, Inc. (the "Company" or "AMG") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The year end condensed balance sheet data was derived from audited financial statements, but does not include all of the disclosures required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior year amounts have been reclassified to conform to the current year presentation. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 includes additional information about AMG, its operations, and its financial position, and should be read in conjunction with this Quarterly Report on Form 10-Q.

2. INCOME TAXES

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

		Three Months Ended September 30,	
		1998	1999
Federal:	Current..........................	$ ---	$ 3,830
	Deferred.........................	3,103	2,372
State:	Current..........................	367	657
	Deferred.........................	439	407
Provision for income taxes........................		$ 3,909	$ 7,266

3. SUBSEQUENT EVENTS

On October 18, 1999, AMG announced that it had reached a definitive agreement to acquire an approximately 70% interest in Frontier Capital Management Company, LLC ("Frontier"), with Frontier management holding the remaining 30%. Frontier is a Boston-based investment adviser which had approximately $4 billion of assets under management at September 30, 1999. The transaction is expected to close upon receipt of customary approvals.

On October 21, 1999, the Company announced that its Board of Directors had authorized a share repurchase program (the "Share Repurchase Program") pursuant to which AMG can repurchase up to five percent of its issued and outstanding shares of Common Stock in open market transactions, with the timing of purchases and the amount of stock purchased determined at the discretion of AMG's management. As of November 12, 1999, AMG had repurchased 198,800 shares of Common Stock at an average price of $24.57.

4. EARNINGS PER SHARE

The calculation for the basic earnings per share is based on the weighted average of common shares outstanding during the period. The calculation for the diluted earnings per share is based on the weighted average of common and common equivalent shares outstanding during the period. The following is a reconciliation of the numerators and denominators of the basic and diluted EPS computations.

	Three Months Ended September 30,	
	1998	1999
Numerator:		
Net income	$ 5,864,000	$ 10,456,000
Denominator:		
Average shares outstanding - basic	17,627,839	23,282,559
Convertible stock	1,750,942	---
Stock options and unvested restricted stock	168,202	120,981
Average shares outstanding - diluted	19,546,983	23,403,540
Net income per share:		
Basic	$ 0.33	$ 0.45
Diluted	$ 0.30	$ 0.45

In March 1998, the Company issued 1,750,942 shares of Series C Convertible Stock in completing its investment in Essex Investment Management Company, LLC. Each share converted into one share of Common Stock in March 1999. In March 1999, the Company sold 4,000,000 shares in a public offering. The shares of converted Series C Convertible Stock and the shares issued in the public offering have been included in the calculation of basic shares outstanding for the three months ended September 30, 1999. Shares of Common Stock purchased by AMG pursuant to the Share Repurchase Program are not reflected in the calculation above because the purchases occurred after September 30, 1999.

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

FORWARD-LOOKING STATEMENTS

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

- OUR PERFORMANCE IS DIRECTLY AFFECTED BY CHANGING CONDITIONS IN THE FINANCIAL AND SECURITIES MARKETS, AND A DECLINE OR A LACK OF SUSTAINED GROWTH IN THE FINANCIAL MARKETS MAY RESULT IN DECREASED ADVISORY FEES OR PERFORMANCE FEES AND A CORRESPONDING DECLINE (OR LACK OF GROWTH) IN THE CASH FLOW DISTRIBUTABLE TO US FROM OUR AFFILIATES;

- WE CANNOT BE CERTAIN THAT WE WILL BE SUCCESSFUL IN FINDING OR INVESTING IN ADDITIONAL INVESTMENT MANAGEMENT FIRMS ON FAVORABLE TERMS, OR THAT EXISTING AND NEW AFFILIATES WILL HAVE FAVORABLE OPERATING RESULTS;

- WE WILL NEED TO RAISE CAPITAL BY MAKING LONG-TERM OR SHORT-TERM BORROWINGS OR BY SELLING SHARES OF OUR STOCK IN ORDER TO FINANCE INVESTMENTS IN ADDITIONAL INVESTMENT MANAGEMENT FIRMS, AND WE CANNOT BE SURE THAT SUCH CAPITAL WILL BE AVAILABLE TO US ON ACCEPTABLE TERMS;

- THE CLOSING OF OUR PROPOSED INVESTMENT IN FRONTIER CAPITAL MANAGEMENT COMPANY, LLC IS SUBJECT TO THE FULFILLMENT OF CUSTOMARY CONDITIONS; AND

- THOSE CERTAIN OTHER FACTORS DISCUSSED UNDER THE CAPTION "BUSINESS-CAUTIONARY STATEMENTS" IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1998.

IN ADDITION, THE DISCUSSION AND ANALYSIS WITH RESPECT TO THE YEAR 2000 (AS DESCRIBED MORE FULLY BELOW), INCLUDING OUR EXPECTATIONS OF THE CAPACITY OF ALL RELEVANT INTERNAL AND EXTERNAL SYSTEMS TO HANDLE DATES BEYOND 1999 (GENERALLY DESCRIBED AS "YEAR 2000 COMPLIANCE") ARE BASED UPON OUR ESTIMATES WHICH, IN TURN, ARE BASED UPON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS, INCLUDING THIRD PARTY MODIFICATION PLANS. THERE CAN BE NO 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 INCLUDE, BUT ARE NOT LIMITED TO, THE FAILURE OF AFFILIATES AND THIRD PARTY SERVICE PROVIDERS TO ACHIEVE REPRESENTED OR STATED LEVELS OF YEAR 2000 COMPLIANCE, THE ABILITY TO

LOCATE AND CORRECT ALL RELEVANT COMPUTER CODES, AND SIMILAR UNCERTAINTIES.

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

OVERVIEW

We buy and hold equity interests in mid-sized investment management firms (our "Affiliates") and currently derive all of our revenues from those firms. We hold investments in 14 Affiliates that in aggregate managed $69.9 billion in assets at September 30, 1999. Our most recent investments were in Davis Hamilton Jackson & Associates, L.P. ("DHJA") in December 1998, Rorer Asset Management, LLC ("Rorer") in January 1999 and The Managers Funds LLC ("Managers") in April 1999. On October 18, 1999, AMG entered into a definitive agreement to acquire an approximately 70% interest in Frontier Capital Management Company, LLC ("Frontier"), with Frontier management holding the remaining 30%. Frontier had approximately $4 billion of assets under management at September 30, 1999.

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

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

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

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

Under the organizational documents of the Affiliates (other than Managers), the allocations and distributions of cash to us generally take priority over the allocations and distributions to the other owners of the Affiliates. This further protects us if there are any expenses in excess of the Operating Allocation of an Affiliate. Thus, if an Affiliate's expenses exceed its Operating Allocation, the excess expenses first reduce the portion of the Owners' Allocation allocated to the Affiliate's management owners, until that portion is eliminated, and then reduce the portion allocated to us. Unlike all other Affiliates, Managers is not subject to a revenue sharing arrangement since we own substantially all of the firm. As a result, we participate fully in any increase or decrease in the revenues or expenses of Managers.

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

The EBITDA Contribution of an Affiliate represents the Owners' Allocation of that Affiliate allocated to AMG (or, in the case of Managers, the income allocated to AMG) before interest, taxes, depreciation and amortization of that Affiliate. EBITDA Contribution does not include our holding company expenses.

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

Our level of profitability will depend on a variety of factors including principally: (i) the level of Affiliate revenues, which is dependent on the ability of our existing and future Affiliates to maintain or increase assets under management by maintaining their existing investment advisory relationships and fee structures, marketing their services successfully to new clients, and obtaining favorable investment results; (ii) a variety of factors affecting the securities markets generally, which could potentially result in considerable increases or decreases in the assets under management at our Affiliates; (iii) the receipt of Owners' Allocation, which is dependent on the ability of our existing and future Affiliates to maintain certain levels of operating profit margins; (iv) the availability and cost of the capital with which we finance our existing and new investments; (v) our success in attracting new investments and the terms upon which such transactions are completed; (vi) the level of intangible assets and the associated amortization expense resulting from our investments; (vii) the level of expenses incurred for holding company operations, including compensation for its employees; and (viii) the level of taxation to which we are subject. Each of the foregoing are, to some extent, dependent on factors (including general securities market conditions, as noted above) which are not in our control.

Assets under management were $69.9 billion at September 30, 1999 versus $70.9 billion at June 30, 1999 and $57.7 billion at December 31, 1998. The decrease in assets under management during the quarter was primarily due to negative investment performance of $927.4 million, which was partially offset by positive net client cash flows for directly managed assets of $66 million. Overlay assets (which generally carry lower fees than directly managed assets) declined by $95 million in this period. The year to date increase in assets under management was primarily based on our investments in Rorer (which had $4.4 billion in assets under management at January 6, 1999) and Managers (which had $1.7 billion in assets under management at April 1, 1999) and internal growth from existing Affiliates (including Rorer and Managers following the date of our investments) of $6.1 billion.

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

As a result of our investments, intangible assets, consisting of acquired client relationships and goodwill, constitute a substantial percentage of our consolidated assets. As of September 30, 1999, our total assets were approximately $691.0 million, of which $189.1 million consisted of acquired client relationships and $385.9 million consisted of goodwill.

The amortization period for intangible assets for each investment is assessed individually, with amortization periods for our investments to date ranging from eight to 28 years in the case of acquired client relationships and 15 to 35 years in the case of goodwill. In determining the amortization period for intangible assets acquired, we consider a number of factors including: the firm's historical and potential future operating performance and rate of attrition among clients; the stability and longevity of existing client relationships; the firm's recent, as well as long-term, investment performance; the characteristics of the firm's products and investment styles; the stability and depth of the firm's management team and the firm's history and perceived franchise or brand value. We perform a quarterly evaluation of intangible assets on an investment-by-investment basis to determine whether there has been any impairment in their carrying value or their useful lives. If impairment is indicated, then the carrying amount of intangible assets, including goodwill, will be reduced to their fair values.

While amortization of intangible assets has been charged to the results of operations and is expected to be a continuing material component of our operating expenses, management believes it is important to distinguish this expense from other operating expenses since such amortization does not require the use of cash. Because of this, and because our distributions from our Affiliates are based on their Owners' Allocation, we have provided additional supplemental information in this report for "cash" related earnings, as an addition to, but not as a substitute for, measures related to net income. Such measures are (i) EBITDA, which we believe is useful to investors as an indicator of our ability to service debt, to make new investments and meet working capital requirements, and (ii) EBITDA as adjusted, which we believe is useful to investors as another indicator of funds available which may be used to make new investments, to repay debt obligations, to repurchase shares of our Common Stock or pay dividends on our Common Stock (although the Company has no current plans to pay dividends).

THE THREE MONTHS ENDED SEPTEMBER 30, 1999 AS COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 1998

The Company had net income of $10.5 million for the quarter ended September 30, 1999 compared to net income of $5.9 million for the quarter ended September 30, 1998. The increase in net income resulted primarily from the growth in EBITDA contribution from existing Affiliates and also from investments in new Affiliates. The Company invested in DHJA, Rorer and Managers on December 31, 1998, January 6, 1999, and April 1, 1999, respectively.

Total revenues for the quarter ended September 30, 1999 were $85.4 million, an increase of $29.5 million over the quarter ended September 30, 1998, primarily as a result of the investments in new Affiliates and also from the growth in revenues from existing Affiliates.

Total operating expenses increased by $18.6 million to $53.1 million for the quarter ended September 30, 1999 from $34.5 million for the quarter ended September 30, 1998. Compensation and related expenses increased by $11.5 million from $19.3 million to $30.8 million, selling, general and administrative expenses increased by $5.5 million from $8.2 million to $13.7 million, and amortization of intangible assets increased by $1.1 million from $4.5 million to $5.6 million. The increases in operating expenses were primarily due to the investments in the new Affiliates and also from the growth in the Operating Allocation related to the growth in revenues from existing Affiliates.

Interest expense decreased by approximately $865,000 to $2.7 million for the quarter ended September 30, 1999 from $3.6 million for the quarter ended September 30, 1998. The reduction in interest expense was from repayments of senior bank debt generated from the net proceeds from our public offering of Common Stock in March 1999 and cash flow from ongoing operations, offset by borrowings related to new investments. In addition, interest expense decreased due to the favorable impact of the offering on our LIBOR margin as well as a favorable interest rate environment.

Minority interest increased by $4.2 million to $12.7 million for the quarter ended September 30, 1999 from $8.5 million for the quarter ended September 30, 1998. This increase was primarily a result of the addition of new Affiliates and also from the growth in revenues from existing Affiliates as described above.

Income tax expense was $7.3 million for the quarter ended September 30, 1999 compared to $3.9 million for the quarter ended September 30, 1998. The change in tax expense was primarily related to an increase in income before taxes.

EBITDA increased by $8.3 million to $26.9 million for the quarter ended September 30, 1999 from $18.6 million for the quarter ended September 30, 1998, primarily as a result of the investments in new Affiliates and also from the growth in revenues from existing Affiliates as described above.

EBITDA as adjusted increased by $5.9 million to $17.0 million for the quarter ended September 30, 1999 from $11.1 million for the quarter ended September 30, 1998 as a result of the factors affecting net income as described above with the exception of the amortization of intangible assets.

THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AS COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 1998

The Company had net income of $27.5 million for the nine months ended September 30, 1999 compared to net income of $16.2 million for the nine months ended September 30, 1998. The increase in net income resulted mostly from EBITDA contribution from new investments made during and subsequent to the first nine months of

1998. The Company invested in Essex, DHJA, Rorer and Managers on March 20, 1998, December 31, 1998, January 6, 1999 and April 1, 1999, respectively.

Total revenues for the nine months ended September 30, 1999 were $232.1 million, an increase of $73.9 million over the nine months ended September 30, 1998, primarily as a result of the investments in new Affiliates.

Total operating expenses increased by $45.9 million to $143.8 million for the nine months ended September 30, 1999 from $97.9 million for the nine months ended September 30, 1998. Compensation and related expenses increased by $26.1 million from $55.4 million to $81.5 million, selling, general and administrative expenses increased by $14.0 million from $22.8 million to $36.8 million, amortization of intangible assets increased by $3.6 million from $12.9 million to $16.5 million, and other operating expenses increased by $1.2 million from $5.0 million to $6.2 million. The increases in operating expenses are primarily due to the investments in the new Affiliates as described above.

Interest expense decreased by $1.6 million to $9.0 million for the nine months ended September 30, 1999 from $10.6 million for the nine months ended September 30, 1998. The reduction in interest expense was from repayments of senior bank debt generated from the net proceeds from our public offering of Common Stock in March 1999 and cash flow from ongoing operations, offset by borrowings related to new investments. In addition, interest expense decreased due to the favorable impact of the offering on our LIBOR margin as well as a favorable interest rate environment.

Minority interest increased by $11.3 million to $35.3 million for the nine months ended September 30, 1999 from $24.0 million for the nine months ended September 30, 1998. This increase is primarily a result of the addition of new Affiliates as described above.

Income tax expense was $19.1 million for the nine months ended September 30, 1999 compared to $10.8 million for the nine months ended September 30, 1998. The change in tax expense was primarily related to an increase in income before taxes.

EBITDA increased by $22.4 million to $74.8 million for the nine months ended September 30, 1999 from $52.4 million for the nine months ended September 30, 1998, primarily as a result of the investments in new Affiliates as described above.

EBITDA as adjusted increased by $15.8 million to $46.8 million for the nine months ended September 30, 1999 from $31.0 million for the nine months ended September 30, 1998 as a result of the factors affecting net income as described above with the exception of the amortization of intangible assets.

LIQUIDITY AND CAPITAL RESOURCES

We have met our cash requirements primarily through cash generated by operating activities, bank borrowings, and the issuance of equity and debt securities in public and private placement transactions. We anticipate that we will use cash flow from our operating activities to repay debt and to finance our working capital needs and will use bank borrowings and issue equity and debt securities to finance future investments. Our principal uses of cash have been to make investments, to retire indebtedness, repurchase shares and to support our and our Affiliates' operating activities. We expect that our principal use of funds for the foreseeable future will be for additional investments, repayments of debt, including interest payments on outstanding debt, payment of income taxes, repurchase of shares, capital expenditures, distributions to owners of Affiliates other than us, additional investments in existing Affiliates, including upon management owners' sales of their retained equity to us, and for working capital purposes.

On March 3, 1999, the Company completed a public offering of Common Stock. In the offering 5,529,954 shares of Common Stock were sold, of which 4,000,000 shares were sold by the Company and 1,529,954 shares were sold by selling stockholders. AMG used the net proceeds from the offering to reduce indebtedness under our credit facility (as described below) and did not receive any proceeds from the sale of Common Stock by the selling stockholders.

At September 30, 1999, we had outstanding borrowings of senior debt under our credit facility of $157.5 million and the ability to borrow an additional $172.5 million. We have the option, with the consent of our lenders, to increase the facility by another $70 million to a total of $400 million. The Frontier investment (as described above) will be financed under the credit facility and is expected to close upon receipt of customary approvals. Barring unforseen events, following the closing of our investment in Frontier we will have significant additional borrowing capacity under our credit facility.

Our borrowings under the credit facility are collateralized by pledges of all of our interests in Affiliates (including all interests which are directly held by us, as well as all interests which are indirectly held by us through wholly-owned subsidiaries), which interests represent substantially all of our assets. Our credit facility contains a number of negative covenants, including those which generally prevent us and our Affiliates from: (i) incurring additional indebtedness (other than subordinated indebtedness), (ii) creating any liens or encumbrances on material assets (with certain enumerated exceptions), (iii) selling assets outside the ordinary course of business or making certain fundamental changes with respect to our businesses, including a restriction on our ability to transfer interests in any majority owned Affiliate if, as a result of such transfer, we would own less than 51% of such firm, and

(iv) declaring or paying dividends on our Common Stock. Our credit facility bears interest at either LIBOR plus a margin or the Prime Rate plus a margin. We pay a commitment fee on the daily unused portion of the facility. In order to partially offset our exposure to changing interest rates we have entered into interest rate hedging contracts. The credit facility matures during December 2002.

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

YEAR 2000

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.

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. 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 include, but are not limited to, the failure of our Affiliates and third party service providers to achieve represented or stated levels of Year 2000 Compliance and the ability to locate and correct all relevant computer codes and similar uncertainties.

AMG'S HOLDING COMPANY READINESS

In anticipation of the Year 2000 problem, we identified all of the significant computers, software applications and related equipment used at the holding company that required modifying, upgrading or replacing to minimize the possibility of a material disruption to our business based on the advent of the Year 2000. We modified, upgraded or replaced all such equipment and have completed our Year 2000 preparations at the holding company. We incurred $500,000 of costs in remediating the Year 2000 problem in the last four years.

AMG'S AFFILIATES' READINESS

We established a time line with each of our Affiliates to complete their Year 2000 preparations, and, as part of our general preparedness program, each of our Affiliates 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. Each of our Affiliates has completed its assessment and renovation or replacement of all non-compatible systems and the subsequent testing of such systems.

OUTSIDE SERVICE PROVIDERS

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. While the Company believes that third party service providers have resolved their Year 2000 issues, there can be no assurances in this regard. In the event that outside service providers fail to resolve their Year 2000 issues, our Affiliates' operations may experience material disruptions caused by the inability to process trades and access client and investment research data files and, accordingly, our and our Affiliates' businesses would be adversely affected.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

This analysis presents the hypothetical loss in earnings of the derivative instruments we held at September 30, 1999 that are sensitive to changes in interest rates. Interest rate swaps allow us to achieve a level of variable-rate and fixed-rate debt that is acceptable to us, and to reduce interest rate exposure. In each of our interest rate swaps, we have agreed with another party to exchange the difference between fixed-rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Under each of our interest rate swaps, interest rates on the notional amounts are capped at rates ranging between 6.67% and 6.78% upon quarterly reset dates. In addition, if LIBOR falls below 5% at a quarterly reset date, we are required to make a payment to our counterparty equal to the difference between the interest rate on our floating rate LIBOR debt on an annualized rate of between 6.67% and 6.78%, multiplied by the notional principal amount. At September 30, 1999, a total of $185 million was subject to interest rate swaps (the "Original Swaps"), and our exposure was to changes in three-month LIBOR rates. Beginning in January 1999, we also became a party to additional contracts with a $75 million notional amount (the "Subsequent Swaps"). These contracts are designed to limit interest rate increases to 5.99% on this notional amount if three-month LIBOR rates fall below 5%.

Under these derivative instruments, a hypothetical change of 10 percent in three-month LIBOR rates, sustained for three months, would have resulted in no loss in earnings. Because our net-earnings exposure under the combined debt and interest-rate swap was to three-month LIBOR rates, any hypothetical loss would be calculated as follows: multiplying the notional amount of the swap by the effect of a 10% reduction in LIBOR under the Original Swaps, partially offset by the Subsequent Swaps and interest savings on the underlying debt.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K:

There have been no reports on Form 8-K filed by the Company during the quarter ended September 30, 1999.

SIGNATURES

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

AFFILIATED MANAGERS GROUP, INC.
(Registrant)

/s/ Darrell W. Crate - -------------------- (Darrell W. Crate)	on behalf of the Registrant as Senior Vice President, Chief Financial Officer and Treasurer (and also as Principal Financial and Principal Accounting Officer)	November 12, 1999

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

1,000

9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
35,529
0
45,413
0
0
89,252
11,347
0
691,037
50,880
157,500
0
0
405,904
36,577
691,037
0
232,099
0
143,760
35,288
0
8,955
46,635
19,120
27,515
0
0
0
27,515
1.26
1.22

Minority interest