



Investor Overview

Q3 2018

Forward-Looking Statements

Certain matters discussed in this presentation, as well as oral statements made by AMG, may constitute forward-looking statements within the meaning of the federal securities laws. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements, and may be prefaced with words such as “outlook,” “guidance,” “believes,” “expects,” “potential,” “preliminary,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “positioned,” “prospects,” “intends,” “plans,” “estimates,” “pending investments,” “anticipates” or the negative version of these words or other comparable words. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, the ability to close pending investments, the investment performance and growth rates of our Affiliates and their ability to effectively market their investment strategies, the mix of Affiliate contributions to our earnings, new or revised laws and regulations (including tax legislation) or interpretations and guidance relating thereto, and other risks, uncertainties and assumptions, including those detailed from time to time in our filings with the U.S. Securities and Exchange Commission. Reference is hereby made to the “Risk Factors” section of our most recent Annual Report on Form 10-K, as such factors may be updated from time to time in our periodic filings with the U.S. Securities and Exchange Commission. Forward-looking statements only speak as of the date they are made. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. In that respect, we caution readers not to place undue reliance on any forward-looking statements. From time to time, AMG may use its website as a distribution channel of material Company information. AMG routinely posts financial and other important information regarding the Company in the Investor Relations section of its website at www.amg.com and encourages investors to consult that section regularly.

AMG Overview

Business Highlights

- ▶ Global, diversified asset management firm
- ▶ Unique, multi-faceted growth strategy
- ▶ Proprietary opportunity to partner with additional top boutiques around the world
- ▶ Positioned for continued earnings growth and shareholder value creation

Key Facts

- ▶ **Founded:** 1993
- ▶ **Market Cap:** \$6.1 billion (S&P 500® / NYSE: AMG)
- ▶ **Assets Under Management:** \$830 billion
- ▶ **Products:** 550+
- ▶ **Credit Rating (Moody's / S&P):** A3 / A-

Core Elements of AMG's Strategy

Industry-Leading Boutique Affiliates

- ▶ AMG partners with best-in-class specialists globally
- ▶ Core characteristics of boutiques position them to consistently outperform

Outstanding Return-Oriented Products

- ▶ Strong long-term investment track records
- ▶ Strategic product focus on global equities and alternatives

Global Marketing and Support

- ▶ Global institutional and U.S. retail distribution platforms
- ▶ Complements Affiliate-level distribution with the scale of a global asset manager

Unique Partnership Approach / Opportunity

- ▶ 20+ year track record of successful partnerships
- ▶ Affiliates retain significant equity / maintain complete operating autonomy

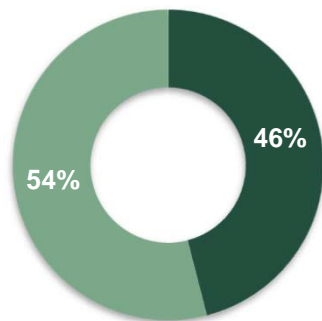
Equity market capitalization as of October 26, 2018. AUM and products as of September 30, 2018.

AUM is Diversified Across Regions, Client Type and Products

- ▶ Nearly half of AUM from clients domiciled outside the United States
- ▶ Institutional-oriented business with 72% of AUM from institutions and HNW clients
- ▶ 73% of AUM in global equities and alternative strategies

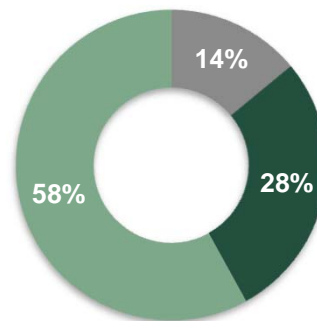
AMG's AUM Contribution

Client Location



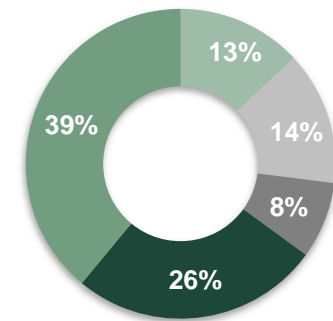
- U.S.
- Non-U.S.

Client Type



- Institutional
- Retail
- HNW

Strategy

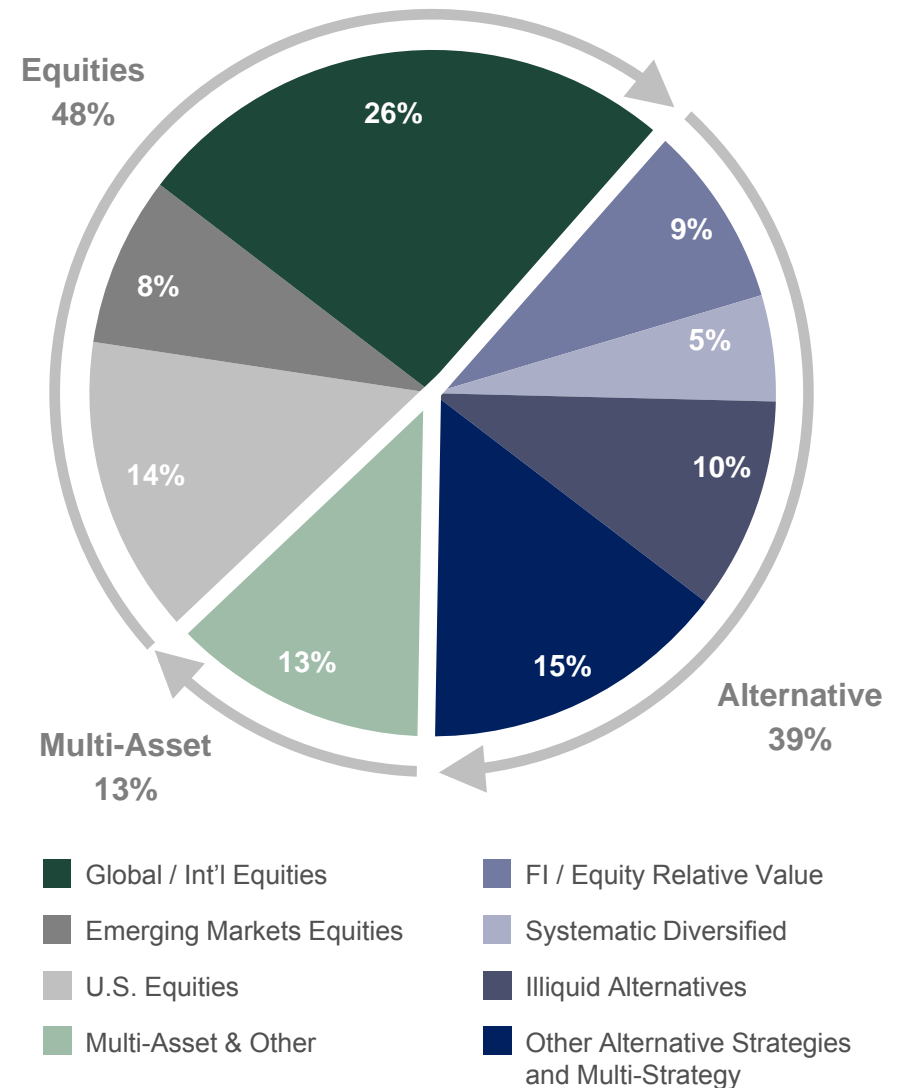


- Alternatives
- Global / Int'l Equities
- EM Equities
- U.S. Equities
- Multi-Asset & Other

AUM by client location, client type, and strategy as of September 30, 2018.

Diverse Exposures Across Broad Array of Traditional and Alternative Strategies

- ▶ Given AMG's strategic focus on the most attractive alpha-generating products, high-conviction active equities and alternatives account for virtually all of the company's \$830 billion in AUM
- ▶ Uniquely positioned across global equities and a wide array of alternative strategies – product areas with strong secular client demand trends and substantial opportunities to achieve alpha
- ▶ Strong long-term client appetite for alternatives uncorrelated or less correlated with equities
 - AMG is one of the largest alternative managers in the world, with an increasingly wide range of high-quality alternative strategies across approximately \$322 billion in assets
 - Over 70% of the earnings contribution from alternative products is derived from management fees, including a meaningful portion from long-locked assets
 - Performance fee opportunity is increasingly diverse; only recognized when crystalized



AUM and products as of September 30, 2018.

Performance fee opportunity includes performance fee EBITDA from alternatives, as well as performance-fee EBITDA from eligible non-alternatives.

Multi-strategy alternatives also includes other dedicated "niche" strategies including currency, commodity, volatility, macro, cross-asset arbitrage and short bias strategies.

Strategic Focus on Alternatives and Active Equities

Alternatives 39%



Premier research-driven quantitative investment management firm

BPEA

Baring Private Equity Asia

Largest dedicated Asian private alternative investment firm



Diversified alternative manager investing across asset classes



Global fixed income manager with relative value and tail risk focus



GLOBAL ENERGY PARTNERS

Leading provider of institutional capital to the global energy and energy related infrastructure sectors



PANTHEON

Global investor in private equity, infrastructure and real assets



Concentrated, active long-term value investor



Systematic manager using science-driven investment systems

Global Equities 34%



Premier research-driven quantitative investment management firm



Leading manager of UK, European, US and global strategies



Acclaimed emerging markets equity manager



Top fundamental global equities manager

**Tweedy,
Browne
Company LLC**
Established in 1920

Premier global value manager

**Veritas
— Asset
Management**

Long-term real return investor focused on global and Asian equities

U.S. Equities 14%



Fundamental growth and relative value equity specialist



Absolute value equity specialist in low volatility, income-oriented strategies



Leading small and mid-cap growth specialist

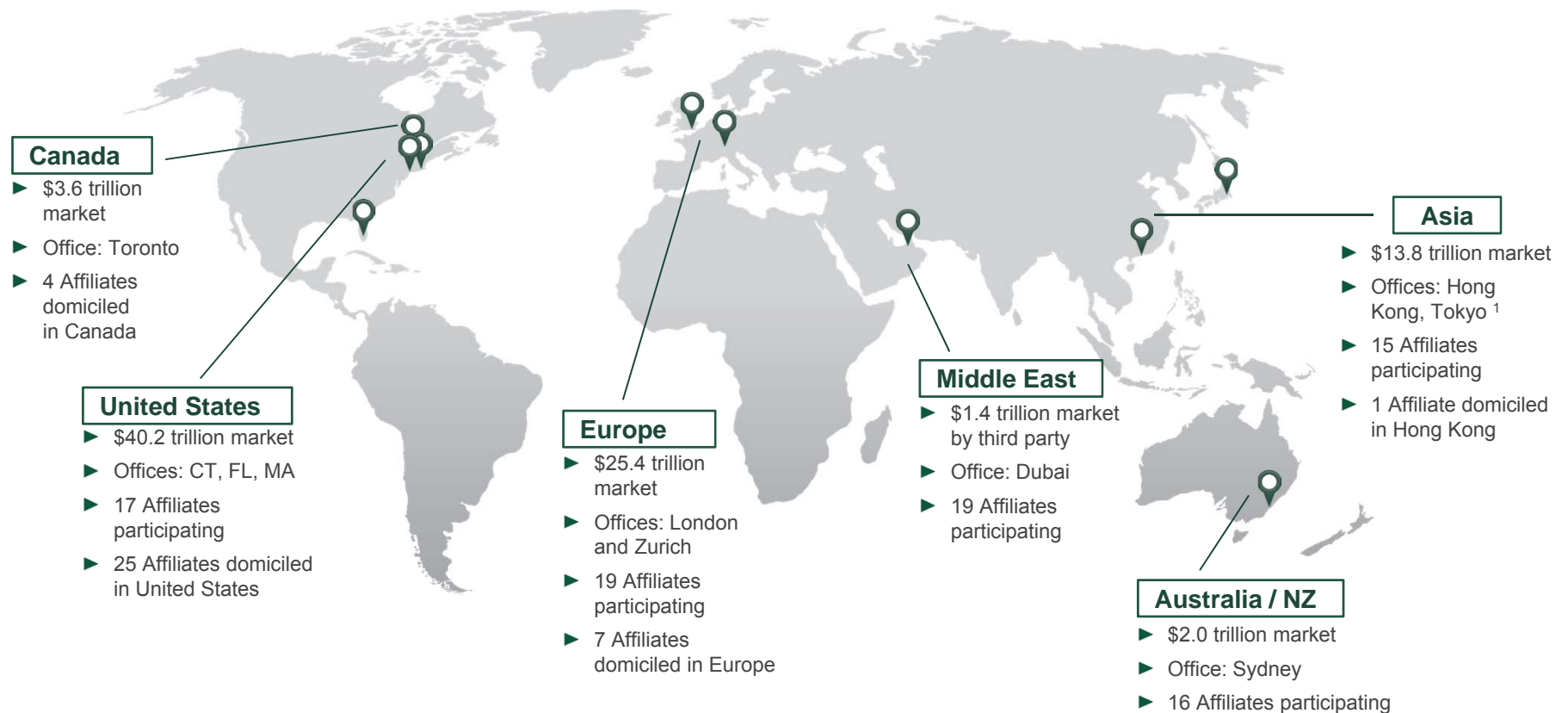


Leading large-cap value manager

Global Distribution Platform Enhances Affiliate Reach

- ▶ AMG's global distribution strategy provides high-quality marketing and client service resources in key international markets
- ▶ Complements Affiliate-level marketing and distribution with the scale and resources of a global asset management firm

AMG's Global Footprint



Source: McKinsey, AMG Analysis.

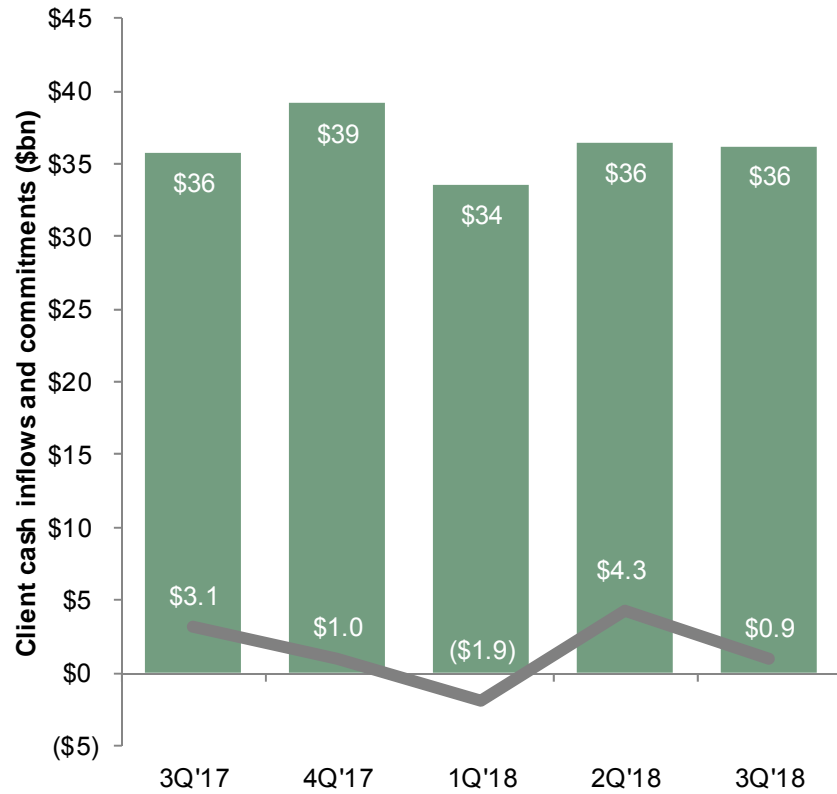
Market size estimates represent externally managed AUM as of December 31, 2017. AMG data for quarter ended September 30, 2018. All market sizes shown in USD.

(1) During third quarter of 2018, AMG established an office in Tokyo and appointed a senior advisor.

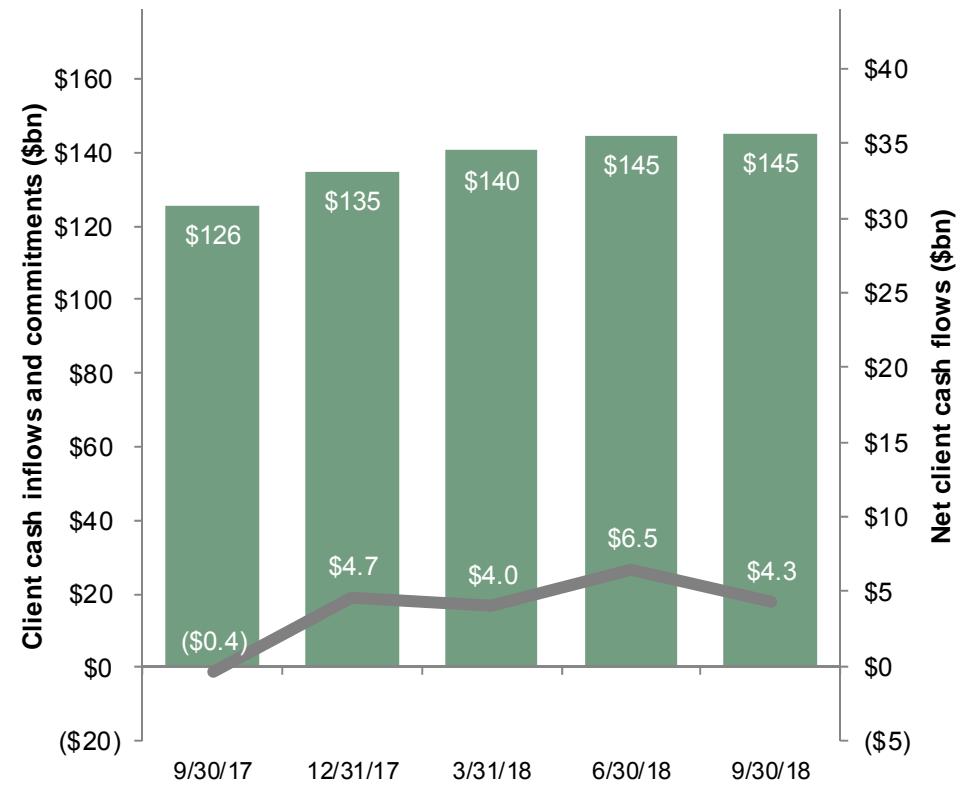
Summary of Client Cash Flows

- ▶ Organic growth profile driven by diverse array of distinctive return streams

Quarterly Client Cash Flows



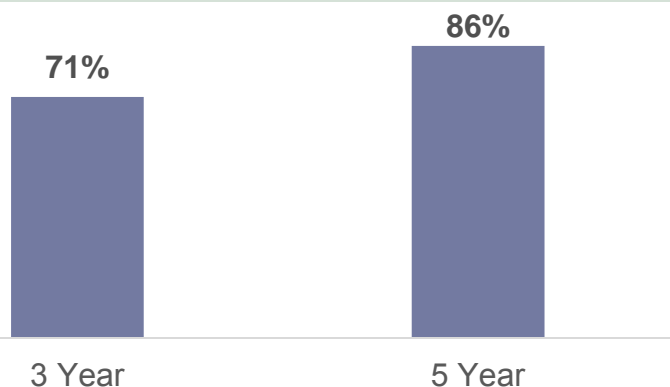
Rolling One Year Client Cash Flows



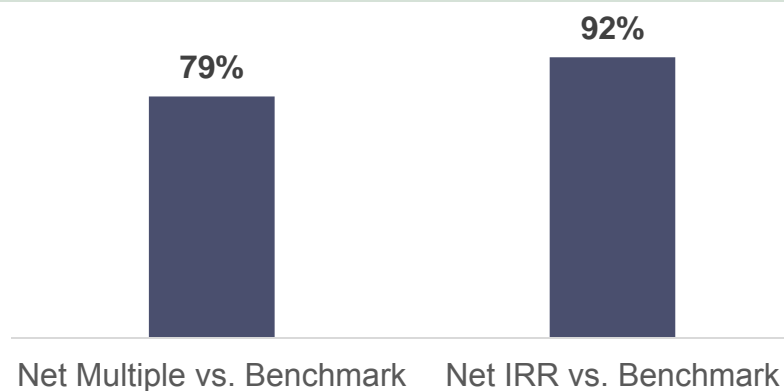
■ Client cash inflows and commitments
■ Net client cash flows

Strong Long Term Investment Performance (AUM Ahead of Benchmark)

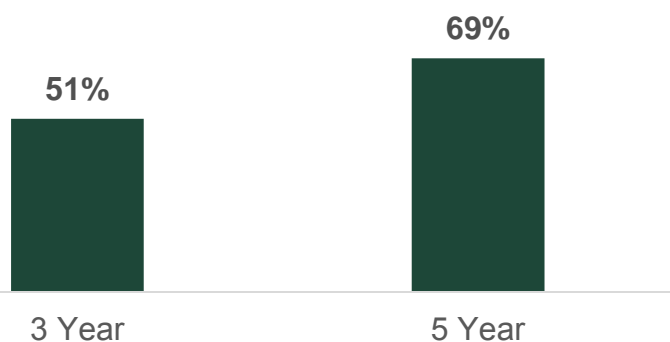
Liquid Alternatives⁽¹⁾: 29% of AUM



Illiquid Alternatives: 10% of AUM



Global Equity: 34% of AUM



U.S. Equity: 14% of AUM



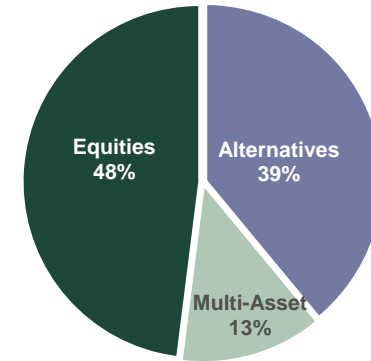
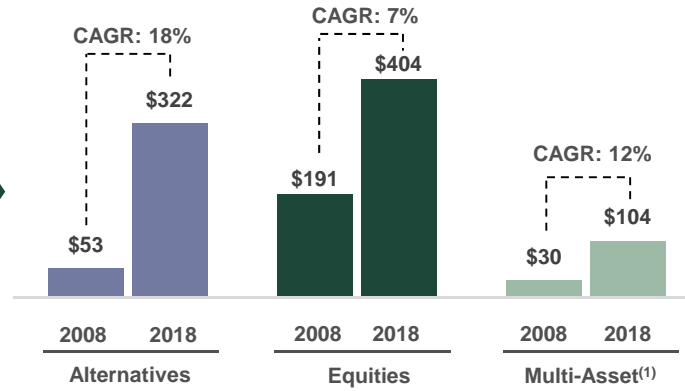
(1) Includes Fixed Income / Equity Relative Value, Systematic Diversified, and Multi-Strategy & Other Alternatives.

Past performance is not indicative of future results. Performance and AUM information is as of September 30, 2018 and is based on data available at the time of calculation. For liquid products, performance is reported as a percentage of assets that have outperformed benchmarks across the indicated periods, and excludes market-hedging products and Multi-Asset & Other. For purposes of investment performance comparisons, products are an aggregation of portfolios (separate accounts, investment funds, and other products) into groups that each represent a particular investment objective, using the most representative portfolio for the performance comparison. Product performance is measured on a consistent basis relative to the most appropriate benchmarks. Both product and benchmark performance are reflected as total return and are annualized for periods longer than one year. Reported product performance is gross-of-fees for institutional and high net worth separate accounts, and generally net-of-fees across retail funds and other commingled vehicles such as hedge funds and private equity funds.

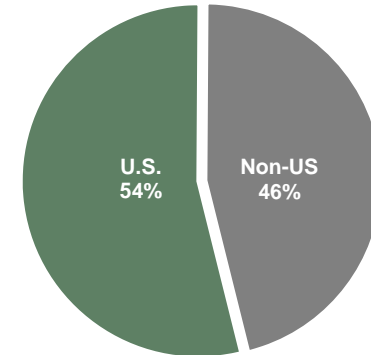
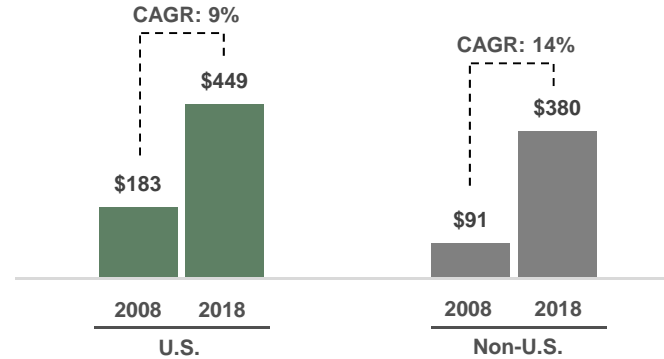
For illiquid products, performance reflects the percentage of assets that have outperformed benchmarks on a since-inception net multiple basis and a net IRR basis. The analysis includes the most recent fund for each strategy that has completed its investment period as of the time of calculation. Both product and benchmark performance are sourced from industry-standard database providers or, in certain instances, return data is sourced from the Affiliate(s) and compared to a third party benchmark. Due to the illiquid nature of these investments, reported performance is typically on a three to six month lag basis.

AUM Growth Driven by Innovation and Diversification Since 2008

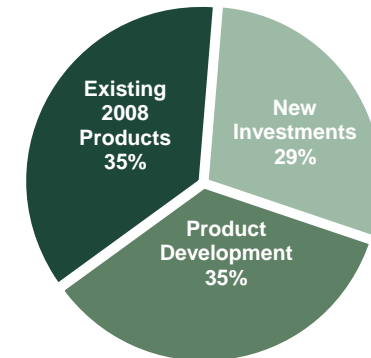
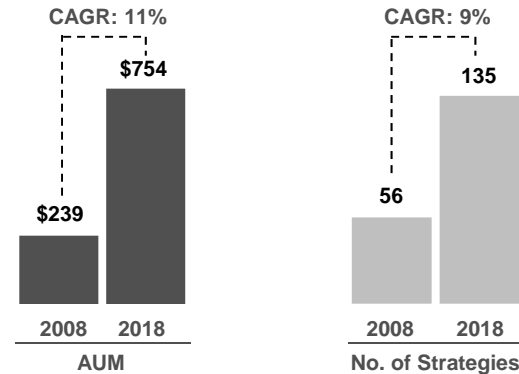
Product Strategy



Client Geography



Scaled Strategies⁽²⁾



Notes: \$ in billions; 2008 and 2018 represent data as of December 31, 2007 and September 30, 2018, respectively.

(1) Represents multi-asset and other category.

(2) "Scaled Strategies" have \$1 billion or more in AUM, percentages of AUM based on number of strategies.

Consistent Return of Capital While Maintaining Flexibility

Consistent Share Repurchases

Reduced share count by 7% since beginning of 2017

Growing Dividends

Quarterly dividend of \$0.30 per share, an increase of 50% over the prior year

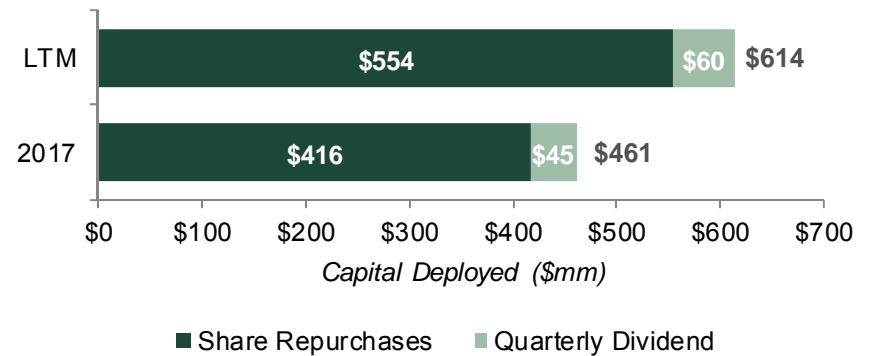
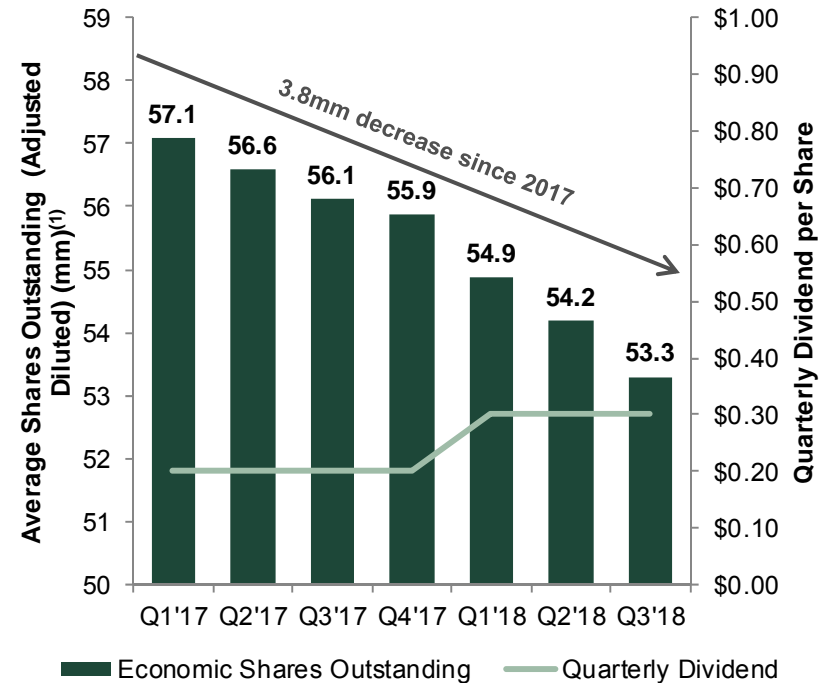
Prudent Balance Sheet Management

A3 / A- rated by Moody's / S&P with bank leverage of 1.3x

Significant New Investment Opportunity

Opportunity to increase future earnings through accretive new investments

Consistent Capital Return



(1) Please refer to Note E on page 28 for definition of Average Shares Outstanding (Adjusted Diluted).

Unique Growth Strategy

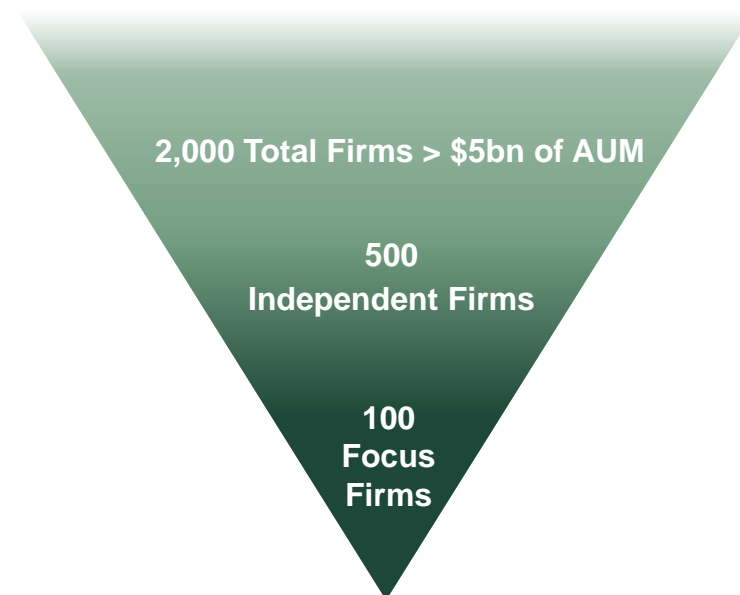
With a 25-year track record of successful investments and established relationships with leading independent firms, AMG has an outstanding forward opportunity set and is well-positioned to execute

Key Elements of Approach

- ▶ **Build senior-level relationships with independent specialists across the globe**
 - Highest quality franchises
 - Excellent investment processes
 - Attractive future growth prospects
- ▶ **AMG partnership enables these firms to address their inevitable succession planning issues**
 - AMG has industry-leading expertise
 - Unparalleled track record of successful partnerships
- ▶ **AMG partnership provides global scale where it is an advantage**
 - Global distribution
 - Legal, compliance and other operations

Illustrative Size of Opportunity

- ▶ **Opportunity to invest in 100 leading independent firms**
 - \$3.5 trillion of combined AUM
 - \$5 billion of incremental AMG EBITDA



Successful Execution of Business Strategy

- ▶ Through the successful execution of its growth strategy, AMG has created a virtuous circle and is positioned to continue to build outstanding shareholder value going forward
- ▶ **Distribution:** Industry-leading net client cash flows of over \$130 billion into active equity products and alternative strategies since the financial crisis
- ▶ Unique and on-going investment to enhance the depth and breadth of AMG's distribution platforms
- ▶ **New Investments:** Completed 11 investments in new boutiques and follow-on investments in two extant Affiliates

Manufacturing

Immediately saleable new products added by partnering with the world's leading boutiques

Partnerships

Demonstrated success in distribution and organic growth makes AMG even more attractive as a partner



Distribution

Global Distribution strategy enhances existing Affiliates' organic growth

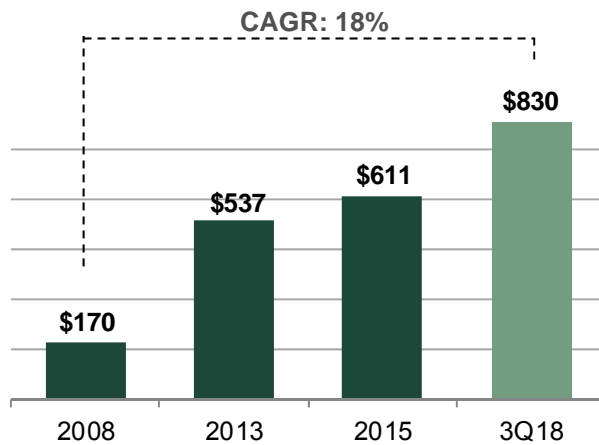
New Investments

New Investments add incremental EBITDA and diversify AMG's position in attractive product areas

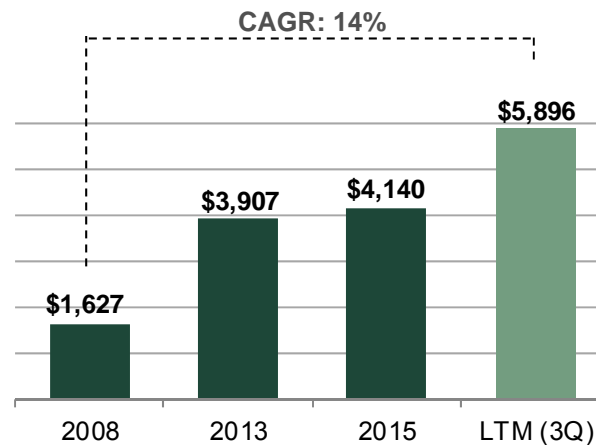
All data shown as of September 30, 2018.

Outstanding Earnings Growth Through Excellent Execution

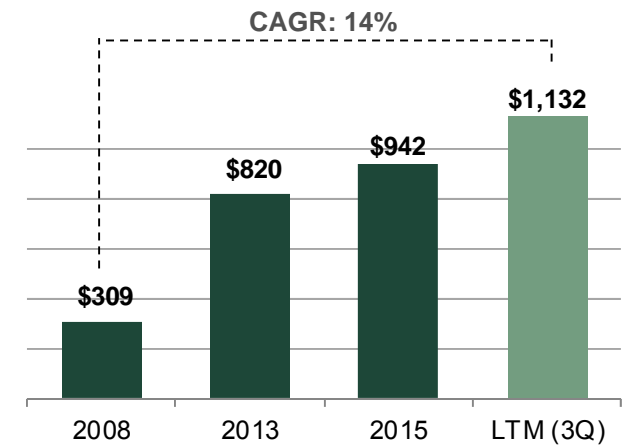
Assets Under Management (\$bn)



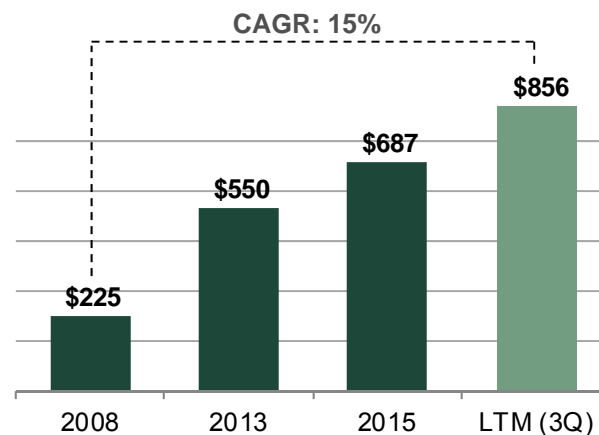
Aggregate Fees⁽¹⁾ (\$mm)



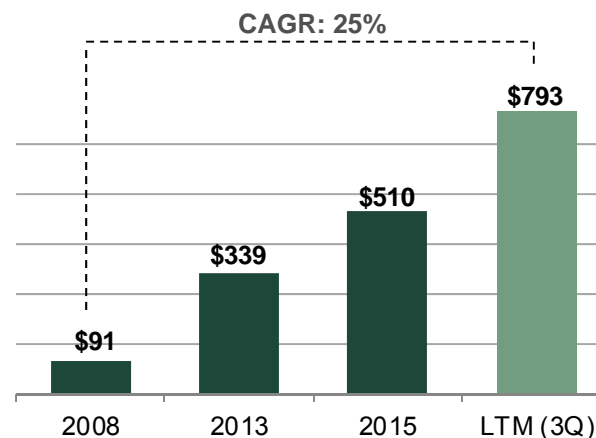
Adjusted EBITDA (\$mm)



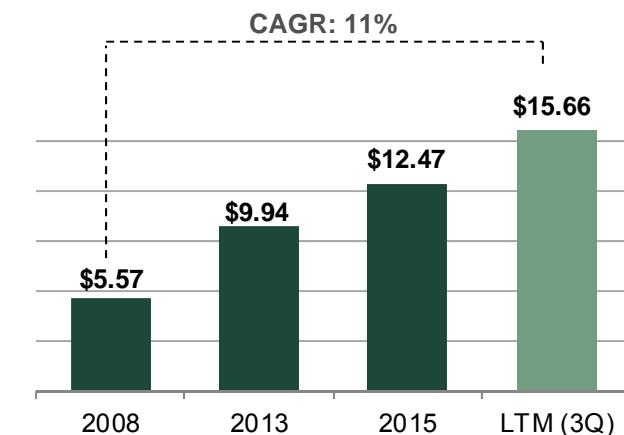
Economic Net Income⁽²⁾ (\$mm)



GAAP Net Income⁽³⁾ (\$mm)



Economic Earnings Per Share⁽²⁾



(1) Aggregate fees consists of the total asset- and performance-based fees earned by all of our Affiliates and is an operating measure used by management to evaluate the operating performance and material trends.

(2) LTM Economic net income and EEPS excludes one-time net benefit resulting from changes in the U.S. tax law of \$194 million.

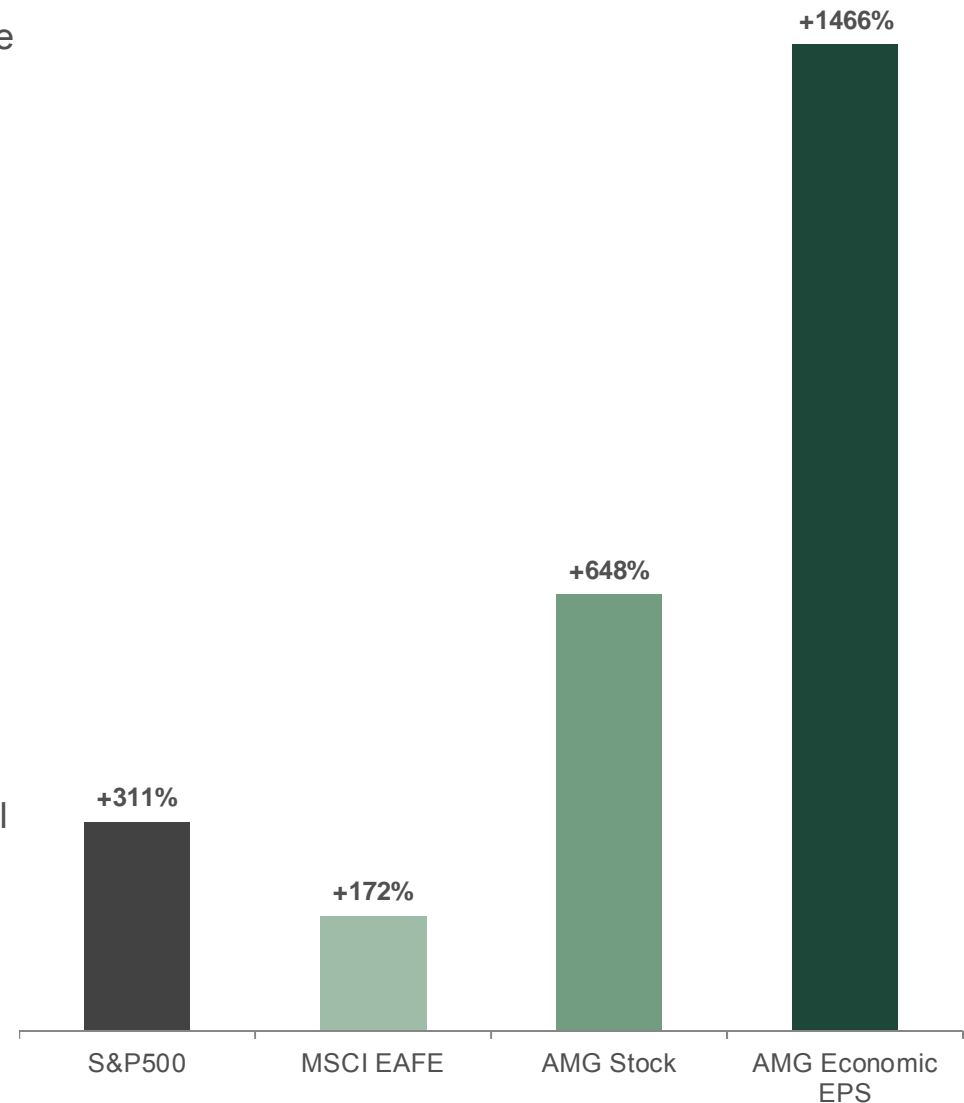
(3) 2008 and LTM GAAP net income adjusted to add back impairment charges net of taxes totaling \$92 million and \$82 million, respectively.

See notes on page 27. Note that reconciliations of non-GAAP financial measures can be found in the Appendix and in AMG's 10-Ks and 10-Qs filed with the U.S. Securities and Exchange Commission on EDGAR.

Outstanding Track Record of Earnings Growth and Value Creation

- ▶ Unique growth strategy includes organic growth of existing Affiliates supported by Affiliate- and AMG-level marketing capabilities, as well as new Affiliate investments
- ▶ Strong long-term organic growth driven by Affiliate investment performance and net client cash flows
- ▶ Diversified revenue stream provides balance to long-term earnings growth and stability in varying markets
- ▶ Investment structure provides stability while retained equity ownership provides long-term incentive and retention for Affiliate partners
- ▶ Accretive investments in new Affiliates generate meaningful incremental earnings growth; proprietary opportunity set to invest in additional outstanding independent firms worldwide
- ▶ Strong, recurring free cash flow and flexible capital structure support growth and shareholder value creation
- ▶ Commitment to consistent capital return including quarterly cash dividend and share repurchases

Earnings Growth and Stockholder Return Total Return Since IPO (1997 – 2018 YTD)



Source: FactSet as of October 26, 2018.

See notes on page 27. Note that reconciliations of Economic EPS to Net Income can be found in the Appendix and in AMG's 10-Ks and 10-Qs filed with the U.S. Securities and Exchange Commission on EDGAR.



Appendix



AMG-Selected Composites by Product Category⁽¹⁾

	AUM		Performance				
	Strategy	Weight	Selected Composite	Q1	Q2	Q3	YTD ⁽²⁾
Alternatives	FI / Equity Relative Value	9%	HFRI Equity Hedge Index	0.3%	0.9%	0.5%	1.7%
			HFRI Relative Value	0.4%	1.2%	1.3%	3.0%
			HFRI Event Driven Activist	(2.3%)	4.0%	(1.1%)	0.5%
	Systematic Diversified	5%	SG Trend Index (Managed Futures)	(3.9%)	(1.3%)	2.1%	(3.2%)
	Illiquid Alternatives ⁽³⁾	10%	NA	NA	NA	NA	NA
Other Alternative Strategies and Multi-Strategy ⁽⁴⁾	15%	HFRI Fund Weighted Composite	(0.0%)	0.9%	0.6%	1.4%	
Equities	Global / Int'l Equities	26%	MSCI World	(1.2%)	1.9%	5.1%	5.9%
			MSCI EAFE	(1.4%)	(1.0%)	1.4%	(1.0%)
	Emerging Markets Equities	8%	MSCI EM	1.5%	(7.9%)	(0.9%)	(7.4%)
	U.S. Equities	14%	S&P 500	(0.8%)	3.4%	7.7%	10.6%
			Russell 2000	(0.1%)	7.8%	3.6%	11.5%
	Multi-Asset & Other	13%	S&P 500	(0.8%)	3.4%	7.7%	10.6%
Barclays Capital Aggregate			(1.5%)	(0.2%)	0.0%	(1.6%)	

Source: Bloomberg as of October 26, 2018.

(1) The publicly available data shown above is used by AMG as a convention to approximate the impact of market changes on AMG's assets under management. The market indices represent applicable AUM benchmarks for each strategy, as selected by AMG, and will not be updated intra-quarter to reflect any updates or adjustments by the relevant index providers after October 26, 2018. These indices do not reflect AMG's investment performance, or the actual performance of any of AMG's Affiliates or their products, and are not indicative of past results or future performance.

(2) Results through September 30, 2018.

(3) AMG's illiquid alternatives assets under management generally reflects committed capital, which is not impacted by market changes.

(4) Multi-strategy alternatives also includes other dedicated "niche" strategies including currency, commodity, volatility, macro, cross-asset arbitrage and short bias strategies.

Operating and Financial Measures (Three and Nine Months Ended)

<i>(in millions, except as noted and per share data)</i>	Three Months Ended		Nine Months Ended	
	9/30/17	9/30/18	9/30/17	9/30/18
Operating performance measure				
Assets under management (at period end, in billions) (A)	\$ 803.7	\$ 829.6	\$ 803.7	\$ 829.6
Average assets under management (in billions) (A)	\$ 790.6	\$ 834.1	\$ 766.5	\$ 834.5
Consolidated Affiliate average assets under management (in billions)	\$ 414.5	\$ 425.3	\$ 400.9	\$ 427.6
Equity method Affiliate average assets under management (in billions)	\$ 376.1	\$ 408.8	\$ 365.6	\$ 406.9
Aggregate fees (B)	\$ 1,272.3	\$ 1,278.0	\$ 3,860.7	\$ 4,210.7
Financial Performance Measures				
Net income (controlling interest)	\$ 125.4	\$ 124.9	\$ 374.2	\$ 394.9
Adjusted EBITDA (controlling interest) (C)	\$ 256.3	\$ 237.8	\$ 754.8	\$ 770.5
Economic net income (controlling interest) (D)	\$ 191.3	\$ 184.0	\$ 563.2	\$ 594.8
Average shares outstanding (diluted)	58.3	55.4	58.8	56.3
Earnings per share (diluted)	\$ 2.22	\$ 2.34	\$ 6.57	\$ 7.27
Average shares outstanding (adjusted diluted) (E)	56.1	53.2	56.6	54.1
Economic earnings per share (E)	\$ 3.41	\$ 3.45	\$ 9.95	\$ 10.99

Q3'18 Assets Under Management by Strategy

Quarter to Date:

Statement of Changes— Quarter to Date	Alternatives	Global Equities	U.S. Equities	Multi-asset & Other	Total
Assets under management, June 30, 2018	\$ 322.0	\$ 283.3	\$ 116.0	\$ 102.9	\$ 824.2
Client cash inflows and commitments	17.0	10.0	4.7	4.5	36.2
Client cash outflows	(12.5)	(12.0)	(6.4)	(4.4)	(35.3)
Net client cash flows	4.5	(2.0)	(1.7)	0.1	0.9
Market changes	2.3	2.1	6.3	1.1	11.8
Foreign exchange	(0.7)	(0.3)	0.1	0.1	(0.8)
Realizations and distributions (net)	(2.9)	(0.1)	—	(0.1)	(3.1)
Other (F)	(3.3)	1.0	(1.1)	—	(3.4)
Assets under management, September 30, 2018	\$ 321.9	\$ 284.0	\$ 119.6	\$ 104.1	\$ 829.6

Year to Date:

Statement of Changes— Year to Date	Alternatives	Global Equities	U.S. Equities	Multi-asset & Other	Total
Assets under management, December 31, 2017	\$ 324.0	\$ 293.4	\$ 116.1	\$ 102.8	\$ 836.3
Client cash inflows and commitments	44.5	33.9	14.3	13.5	106.2
Client cash outflows	(31.9)	(38.8)	(19.3)	(12.9)	(102.9)
Net client cash flows	12.6	(4.9)	(5.0)	0.6	3.3
Market changes	(4.2)	(0.5)	9.8	1.6	6.7
Foreign exchange	(1.8)	(3.1)	(0.2)	(0.8)	(5.9)
Realizations and distributions (net)	(6.4)	(0.2)	—	(0.1)	(6.7)
Other (F)	(2.3)	(0.7)	(1.1)	—	(4.1)
Assets under management, September 30, 2018	\$ 321.9	\$ 284.0	\$ 119.6	\$ 104.1	\$ 829.6

Q3'18 Assets Under Management by Client Type

Quarter to Date:

Statement of Changes— Quarter to Date	Institutional	Retail	High Net Worth	Total
Assets under management, June 30, 2018	\$ 477.3	\$ 231.2	\$ 115.7	\$ 824.2
Client cash inflows and commitments	20.8	11.4	4.0	36.2
Client cash outflows	(15.1)	(16.3)	(3.9)	(35.3)
Net client cash flows	5.7	(4.9)	0.1	0.9
Market changes	6.4	3.4	2.0	11.8
Foreign exchange	(0.4)	(0.6)	0.2	(0.8)
Realizations and distributions (net)	(3.0)	—	(0.1)	(3.1)
Other (F)	(3.6)	0.5	(0.3)	(3.4)
Assets under management, September 30, 2018	\$ 482.4	\$ 229.6	\$ 117.6	\$ 829.6

Year to Date:

Statement of Changes— Year to Date	Institutional	Retail	High Net Worth	Total
Assets under management, December 31, 2017	\$ 488.6	\$ 232.7	\$ 115.0	\$ 836.3
Client cash inflows and commitments	50.3	43.2	12.7	106.2
Client cash outflows	(45.3)	(45.2)	(12.4)	(102.9)
Net client cash flows	5.0	(2.0)	0.3	3.3
Market changes	2.5	1.0	3.2	6.7
Foreign exchange	(3.1)	(2.5)	(0.3)	(5.9)
Realizations and distributions (net)	(6.3)	(0.1)	(0.3)	(6.7)
Other (F)	(4.3)	0.5	(0.3)	(4.1)
Assets under management, September 30, 2018	\$ 482.4	\$ 229.6	\$ 117.6	\$ 829.6

Consolidated Statements of Income

	Three Months Ended		Nine Months Ended	
	9/30/17	9/30/18	9/30/17	9/30/18
<i>(in millions, except per share data)</i>				
Consolidated revenue	\$ 585.7	\$ 601.3	\$ 1,700.9	\$ 1,813.9
Consolidated expenses:				
Compensation and related expenses	238.7	253.6	722.9	761.3
Selling, general and administrative	91.9	102.8	269.7	314.4
Intangible amortization and impairments	21.2	30.1	65.1	76.5
Interest expense	22.1	19.6	67.6	62.6
Depreciation and other amortization	4.8	5.3	14.9	16.5
Other expenses (net)	10.9	10.2	35.9	33.4
Total consolidated expenses	389.6	421.6	1,176.1	1,264.7
Equity method income (net) (G)	70.7	59.7	231.6	191.3
Investment and other income	16.1	11.0	46.7	36.7
Income before income taxes	282.9	250.4	803.1	777.2
Income taxes (J)	66.1	48.5	188.2	146.1
Net income	216.8	201.9	614.9	631.1
Net income (non-controlling interests)	(91.4)	(77.0)	(240.7)	(236.2)
Net income (controlling interest)	\$ 125.4	\$ 124.9	\$ 374.2	\$ 394.9
Average shares outstanding (basic)	55.8	53.1	56.3	53.9
Average shares outstanding (diluted)	58.3	55.4	58.8	56.3
Earnings per share (basic)	\$ 2.25	\$ 2.35	\$ 6.65	\$ 7.32
Earnings per share (diluted)	\$ 2.22	\$ 2.34	\$ 6.57	\$ 7.27
Dividends per share	\$ 0.20	\$ 0.30	\$ 0.60	\$ 0.90

Reconciliations of Performance Measures (Three Months Ended)

<i>(in millions, except per share data)</i>	Three Months Ended				
	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18
Net income (controlling interest)	\$ 125.4	\$ 315.4	\$ 153.0	\$ 117.0	\$ 124.9
Intangible amortization and impairments	42.2	143.9	47.6	74.4	44.9
Intangible-related deferred taxes	22.9	(12.9)	13.2	4.7	12.2
Other economic items (H)	0.8	9.0	1.4	(0.5)	2.0
Changes in U.S. tax law (J)	—	(194.1)	—	—	—
Economic net income (controlling interest) (D)	\$ 191.3	\$ 261.3	\$ 215.2	\$ 195.6	\$ 184.0
Net income (controlling interest)	\$ 125.4	\$ 315.4	\$ 153.0	\$ 117.0	\$ 124.9
Interest expense	22.1	20.2	21.6	21.4	19.6
Income taxes	64.1	(132.1)	60.8	31.6	46.2
Intangible amortization and impairments	42.2	143.9	47.6	74.4	44.9
Other items (I)	2.5	13.9	3.5	1.8	2.2
Adjusted EBITDA (controlling interest) (C)	\$ 256.3	\$ 361.3	\$ 286.5	\$ 246.2	\$ 237.8
	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18
Average shares outstanding (diluted)	58.3	58.0	57.0	54.2	55.4
Convertible securities shares	(2.2)	(2.2)	(2.2)	—	(2.2)
Average shares outstanding (adjusted diluted) (E)	56.1	55.8	54.8	54.2	53.2
Economic earnings per share (E)	\$ 3.41	\$ 4.68	\$ 3.92	\$ 3.61	\$ 3.45

Consolidated Balance Sheets, December 31, 2017 – September 30, 2018

<i>(in millions)</i>	12/31/17	9/30/18
Assets		
Cash and cash equivalents	\$ 439.5	\$ 448.1
Receivables	433.8	524.5
Goodwill	2,662.5	2,648.4
Acquired client relationships (net)	1,449.7	1,357.4
Equity method investments in Affiliates (net)	3,304.7	3,055.3
Fixed assets (net)	111.0	104.8
Investments and other assets	300.9	400.3
Total assets	\$ 8,702.1	\$ 8,538.8
Liabilities and Equity		
Payables and accrued liabilities	\$ 807.2	\$ 761.6
Senior debt	1,550.3	1,534.8
Convertible securities	304.4	306.6
Deferred income tax liability (net)	467.4	479.2
Other liabilities	182.4	166.5
Total liabilities	3,311.7	3,248.7
Redeemable non-controlling interests	811.9	968.9
Equity:		
Common stock	0.6	0.6
Additional paid-in capital	808.6	707.9
Accumulated other comprehensive income (loss)	(21.8)	(60.1)
Retained earnings	3,698.5	4,044.1
	4,485.9	4,692.5
Less: treasury stock, at cost	(663.7)	(1,074.3)
Total stockholders' equity	3,822.2	3,618.2
Non-controlling interests	756.3	703.0
Total equity	4,578.5	4,321.2
Total liabilities and equity	\$ 8,702.1	\$ 8,538.8

Operating and Financial Measures

<i>(in millions, except as noted and per share data)</i>	Year Ended	
	12/31/16	12/31/17
Operating Performance Measures		
Assets under management (at period end, in billions) (A)	\$ 688.7	\$ 836.3
Average assets under management (in billions) (A)	\$ 655.6	\$ 779.2
Consolidated Affiliate average assets under management (in billions)	\$ 373.4	\$ 406.5
Equity method Affiliate average assets under management (in billions)	\$ 282.2	\$ 372.7
Aggregate fees (B)	\$ 4,296.3	\$ 5,545.8
Financial Performance Measures		
Net income (controlling interest)	\$ 472.8	\$ 689.5
Adjusted EBITDA (controlling interest) (C)	\$ 945.5	\$ 1,116.2
Economic net income (controlling interest) (D)	\$ 703.6	\$ 824.4
Average shares outstanding (diluted)	57.0	58.6
Earnings per share (diluted)	\$ 8.57	\$ 12.03
Average shares outstanding (adjusted diluted) (E)	54.8	56.4
Economic earnings per share (E)	\$ 12.84	\$ 14.60

Consolidated Statements of Income

	Year Ended		
	12/31/15	12/31/16	12/31/17
<i>(in millions, except per share data)</i>			
Consolidated revenue	\$ 2,484.5	\$ 2,194.6	\$ 2,305.0
Consolidated expenses:			
Compensation and related expenses	1,027.7	932.4	979.0
Selling, general and administrative	443.8	398.1	373.1
Intangible amortization and impairments	115.4	110.2	86.4
Interest expense	91.0	91.7	87.8
Depreciation and other amortization	18.8	19.5	20.3
Other expenses (net)	1.4	43.3	58.0
Total consolidated expenses	1,698.1	1,595.2	1,604.6
Equity method income (net)	288.9	328.8	302.2
Investment and other income	15.3	46.4	64.5
Income before income taxes	1,090.6	974.6	1,067.1
Income taxes (J)	263.4	235.6	58.4
Net income	827.2	739.0	1,008.7
Net income (non-controlling interests)	(317.7)	(266.2)	(319.2)
Net income (controlling interest)	\$ 509.5	\$ 472.8	\$ 689.5
Average shares outstanding (basic)	54.3	54.2	56.0
Average shares outstanding (diluted)	57.2	57.0	58.6
Earnings per share (basic)	\$ 9.37	\$ 8.73	\$ 12.30
Earnings per share (diluted)	\$ 9.17	\$ 8.57	\$ 12.03
Dividends per share	\$ —	\$ —	\$ 0.80

Reconciliations of Performance Measures

<i>(in millions, except per share data)</i>	Year Ended		
	12/31/15	12/31/16	12/31/17
Net income (controlling interest)	\$ 509.5	\$ 472.8	\$ 689.5
Intangible amortization and impairments	118.4	142.5	265.4
Intangible-related deferred taxes	77.7	84.3	48.8
Other economic items (H)	(18.4)	4.0	14.8
Changes in U.S. tax law (J)	-	-	(194.1)
Economic net income (controlling interest) (D)	\$ 687.2	\$ 703.6	\$ 824.4
Net income (controlling interest)	\$ 509.5	\$ 472.8	\$ 689.5
Interest expense	91.0	91.7	87.8
Income taxes	257.8	229.2	50.4
Intangible amortization and impairments	118.4	142.5	265.4
Other items (I)	(34.5)	9.3	23.1
Adjusted EBITDA (controlling interest) (C)	\$ 942.2	\$ 945.5	\$ 1,116.2
Average shares outstanding (diluted)	57.2	57.0	58.6
Assumed issuance of junior convertible securities shares	(2.2)	(2.2)	(2.2)
Dilutive impact of junior convertible securities shares	0.1	-	-
Average shares outstanding (adjusted diluted) (E)	55.1	54.8	56.4
Economic earnings per share (E)	\$ 12.47	\$ 12.84	\$ 14.60

Economic EPS: Notes

1. Prior to Q1 2002, Economic EPS represents Net Income plus depreciation and amortization on a per share basis. With the adoption of FAS 142 at the beginning of 2002, Economic EPS represents Net Income plus depreciation and amortization and deferred taxes generally related to intangible assets on a per share basis. Beginning in Q1 2003, with the sale of AMG's floating rate convertible securities, the Company modified its Economic EPS definition to Net Income plus amortization and deferred taxes related to intangible assets plus Affiliate depreciation, to clarify that deferred taxes related to the floating rate convertible securities and certain depreciation expenses are not added back to its Economic EPS calculation. Economic EPS and EPS measures have been adjusted to reflect the stock split made effective in March 2004, as well as the Company's use of the treasury stock method in calculating adjusted diluted shares outstanding in its Economic EPS presentation, and the use of the "if converted" method in calculating diluted average shares outstanding in its EPS presentation. Beginning in Q1 2009, with the adoption of FAS 141R, FAS 160 and APB 14-1, the Company modified its Economic EPS definition to add back Affiliate equity and APB 14-1 expenses (both net of tax). Beginning in Q1 2010, the Company modified its Economic EPS definition to exclude non-cash expenses attributable to contingent payment arrangements, net of tax. In Q4 2010, the Company modified its Economic EPS definition to no longer add back Affiliate depreciation to Net Income (controlling interest).
2. Before extraordinary item and pro forma for 1997 investments as if they occurred as of January 1, 1997.

Notes

- (A) Assets under management is presented on a current basis without regard to the timing of the inclusion of an Affiliate's results in our operating performance measures or Consolidated Financial Statements. Average assets under management provides a more meaningful relationship to our operating performance measures and financial results as it reflects both the particular billing patterns of Affiliate sponsored products and client accounts and corresponds with the timing of the inclusion of an Affiliate's financial results in our Consolidated Financial Statements. For certain of our equity method Affiliates, aggregate fees and financial results are reporting one quarter in arrears.
- (B) Aggregate fees consists of the total asset- and performance-based fees earned by all of our Affiliates. Aggregate fees is an operating measure used by management to evaluate the operating performance and material trends across our entire business. Aggregate fees is provided in addition to, but not as a substitute for, our GAAP performance measures.
- (C) Adjusted EBITDA (controlling interest) represents our performance before our share of interest expense, income taxes, depreciation, amortization, impairments and adjustments to our contingent payment arrangements. We believe that many investors use this measure when assessing the financial performance of companies in the investment management industry. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income (controlling interest) or other GAAP performance measures.
- (D) Under our Economic net income (controlling interest) definition, we add to Net income (controlling interest) our share of pre-tax intangible amortization and impairments (including the portion attributable to equity method investments in Affiliates), deferred taxes related to intangible assets, and other economic items which include non-cash imputed interest (principally related to the accounting for convertible securities and contingent payment arrangements) and certain Affiliate equity expenses. We consider Economic net income (controlling interest) an important measure of our financial performance, as we believe it best represents our performance before our share of non-cash expenses relating to the acquisition of interests in Affiliates, and it is therefore employed as our principal performance measure. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income (controlling interest) or other GAAP performance measures. We add back intangible amortization and impairments attributable to intangible assets (including goodwill) because these expenses do not correspond to the changes in the value of these assets, which do not diminish predictably over time. The portion of deferred taxes attributable to intangible assets (including goodwill) is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back non-cash imputed interest and reductions or increases in contingent payment arrangements because it better reflects our contractual interest obligations. We add back non-cash expenses relating to certain transfers of equity between Affiliate partners when these transfers have no dilutive effect to shareholders.
- (E) Economic earnings per share represents Economic net income (controlling interest) divided by the Average shares outstanding (adjusted diluted). In this calculation, the potential share issuance in connection with our convertible securities is measured using a "treasury stock" method. Under this method, only the net number of shares of common stock equal to the value of the convertible securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Earnings per share (diluted) or other GAAP financial performance measures.
- (F) Other primarily includes the assets under management attributable to Affiliate product transitions and transfers of our interests in Affiliates.
- (G) For the nine months ended September 30, 2018, we recorded a \$33.3 million expense associated with the impairment of one of our Affiliates accounted for under the equity method, which also reduced intangible-related deferred taxes by \$8.3 million. This expense, together with the expense we reported in the three months ended December 31, 2017, reduced the carrying value of our investment in the Affiliate to \$0.
- (H) For the three months ended September 30, 2017 and 2018, Other economic items are net of income tax expense of \$0.3 million and income tax benefit of \$0.1 million, respectively. For the nine months ended September 30, 2017 and 2018, Other economic items are net of income tax expense of \$1.4 million and income tax benefit of \$0.0 million, respectively.
- (I) Other items include depreciation and adjustments to contingent payment arrangements.
- (J) Our consolidated income tax provision includes taxes attributable to the controlling interest, and to a lesser extent, taxes attributable to non-controlling interests. On December 22, 2017, changes in U.S. tax law were enacted, which significantly revised U.S. corporate income tax by, among other things, lowering corporate income tax rates, implementing a modified territorial system and imposing a repatriation tax on deemed repatriated foreign earnings and profits. For the three months and year ended December 31, 2017, taxes attributable to the controlling interest includes a one-time net benefit of \$194.1 from the changes in U.S. tax law, primarily from the re-measurement of our deferred tax liabilities associated with our intangible assets and convertible securities. The impact of the changes in U.S. tax law on taxes attributable to the controlling interest may be refined as further guidance, interpretations or information become available or from further evaluation of the impact of the changes in U.S. tax law.