



# **Investor Overview**

**Q4 2018**

# AMG Overview

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## 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:** \$5.5 billion (S&P 500® / NYSE: AMG)
- ▶ **Assets Under Management:** \$736 billion
- ▶ **Products:** Over 500+
- ▶ **Credit Rating (Moody's / S&P):** A3 / A-

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## Core Elements of AMG's Strategy

### Industry-Leading Boutique Affiliates

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

### Outstanding Return-Oriented Products

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

### Global Marketing and Support

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

### Unique Partnership Approach / Opportunity

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

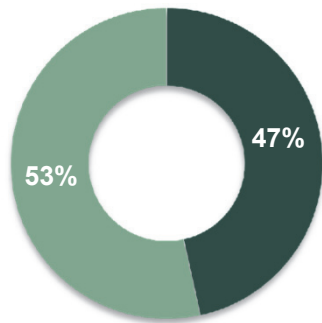
*Equity market capitalization as of February 1, 2019. AUM and products as of December 31, 2018.*

# AUM is Diversified Across Regions, Client Type and Products

- ▶ Nearly half of AUM from clients domiciled outside the United States
- ▶ Institutional-oriented business with 74% of AUM from institutions and HNW clients
- ▶ 73% of AUM in global equities and alternative strategies

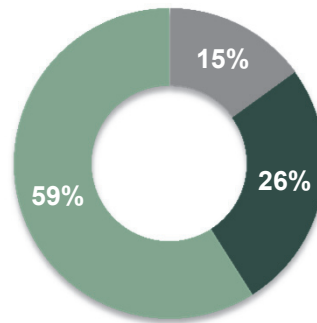
## AMG's AUM Contribution

Client Location



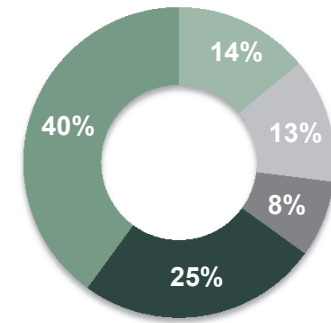
- U.S.
- Non-U.S.

Client Type



- Institutional
- Retail
- HNW

Strategy

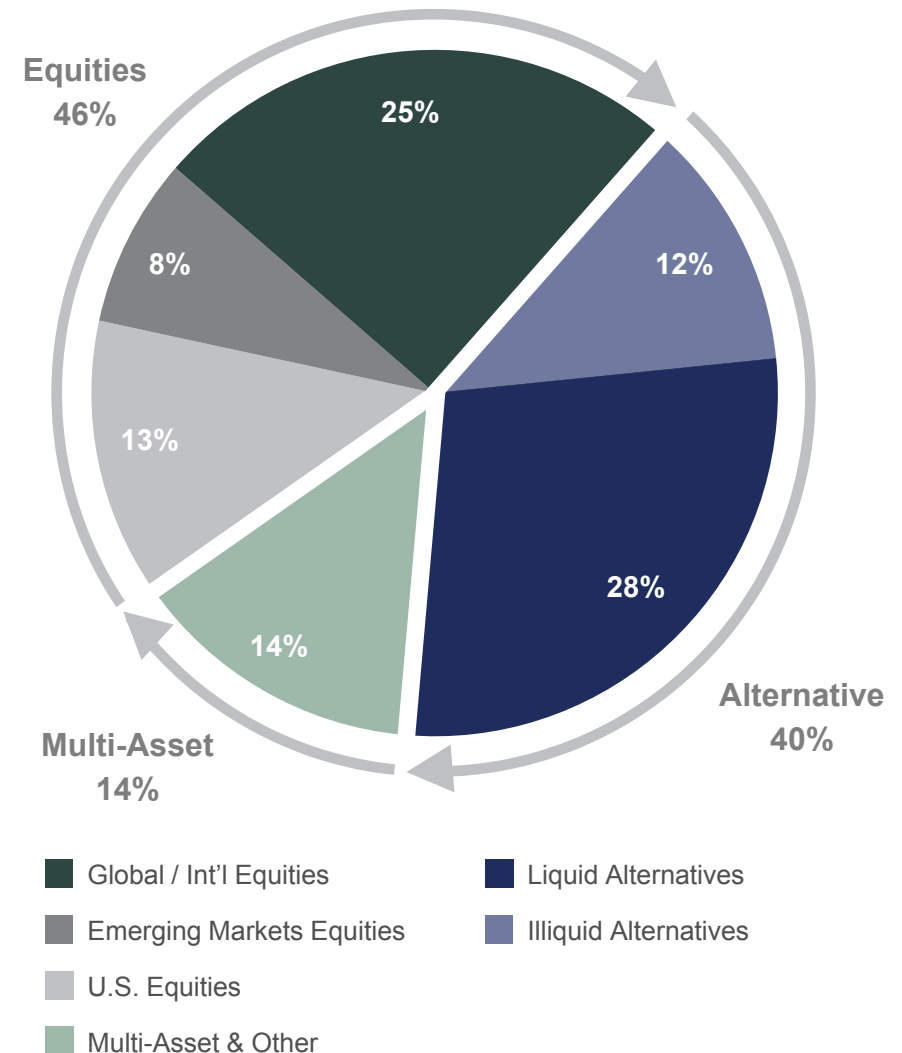


- Alternatives
- Global / Int'l Equities
- EM Equities
- U.S. Equities
- Multi-Asset & Other

AUM by client location, client type, and strategy as of December 31, 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 \$736 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 \$300 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 December 31, 2018.

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

See page 16 for additional details on liquid alternatives.

# Strategic Focus on Alternatives and Active Equities

## Alternatives 40%



Premier research-driven quantitative investment management firm



Diversified alternative manager investing across asset classes

**BPEA**  
Baring Private Equity Asia

Largest dedicated Asian private alternative investment firm



Global fixed income manager with relative value and tail risk focus



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



Global investor in private equity, infrastructure and real assets



Concentrated, active long-term value investor



Systematic manager using science-driven investment systems

## Equities 46%



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



Leading small and mid-cap growth specialist



Premier global value manager



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



Leading large-cap value manager

## Multi-Asset & Other 14%



Premier research-driven quantitative investment management firm



Leading manager of UK, European, US and global strategies



Specialty fixed income and equity solutions provider



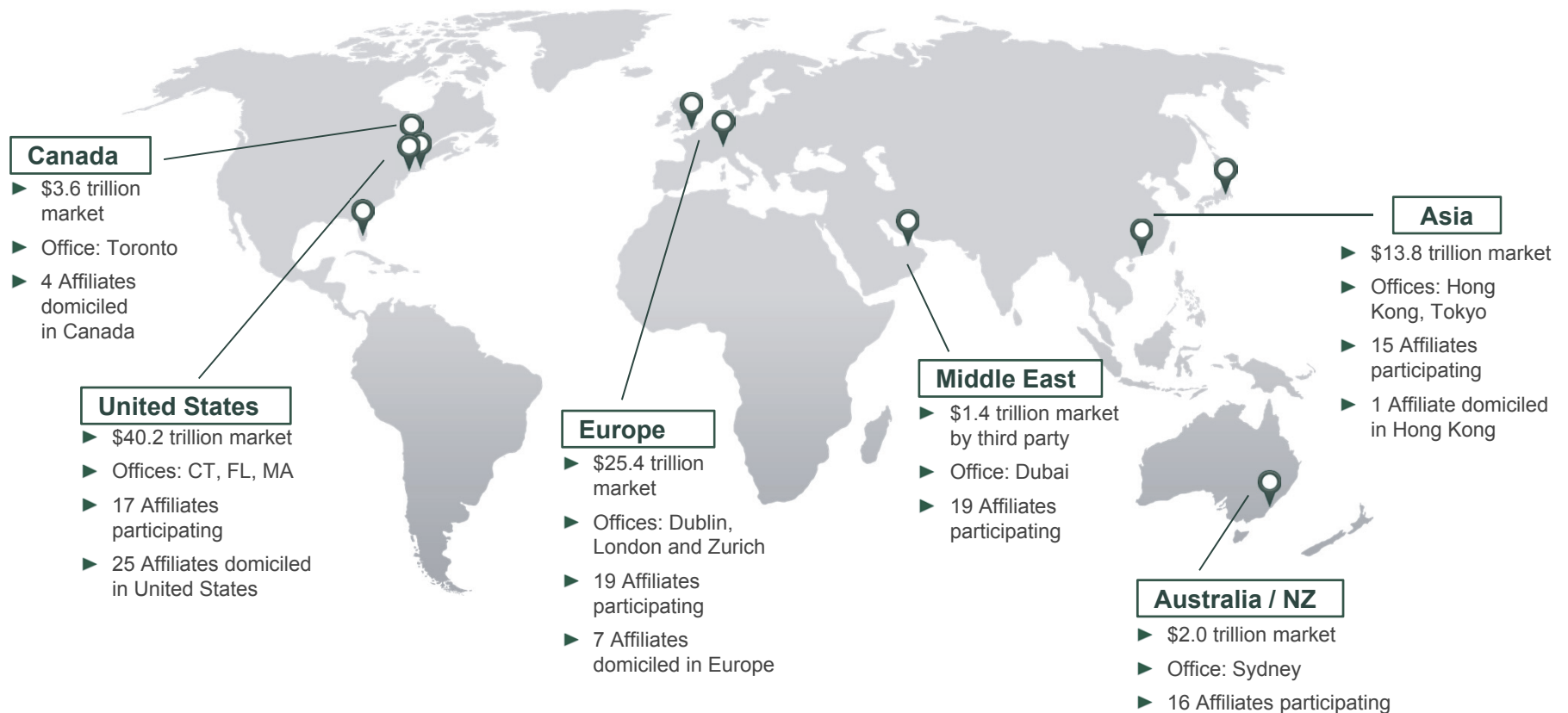
Comprehensive wealth advisory firm

AUM and products as of December 31, 2018.

# 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

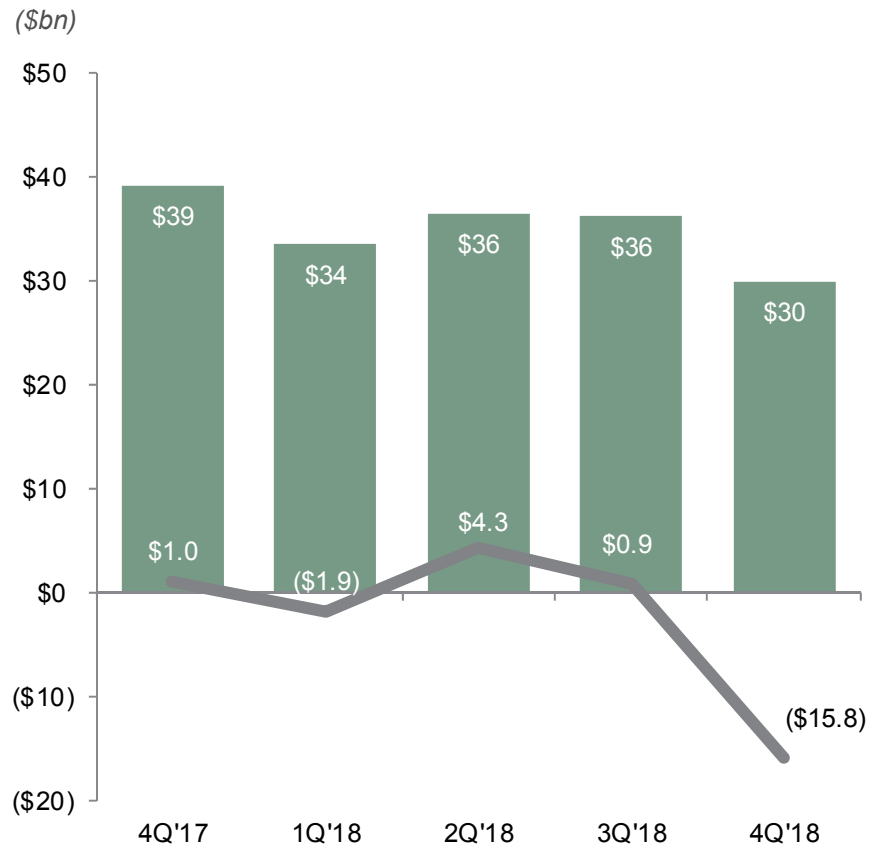


Source: McKinsey, AMG Analysis.

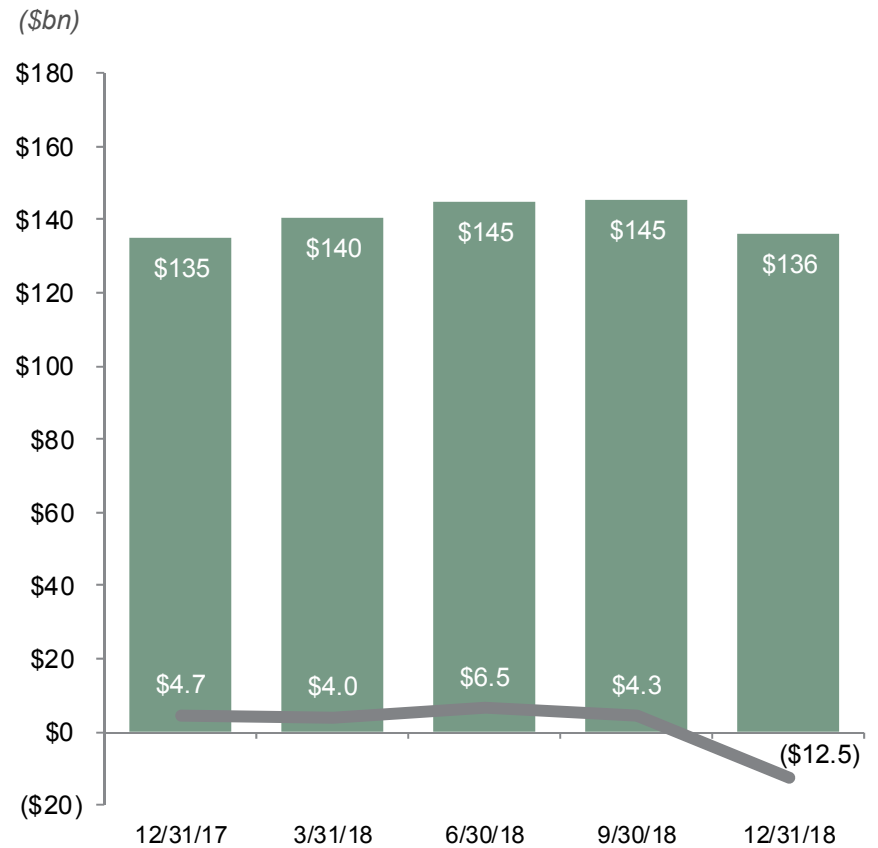
Market size estimates represent externally managed AUM as of December 31, 2017. AMG data for quarter ended December 31, 2018. All market sizes shown in USD.

# Summary of Client Cash Flows

## Quarterly Client Cash Flows



## Rolling One Year Client Cash Flows

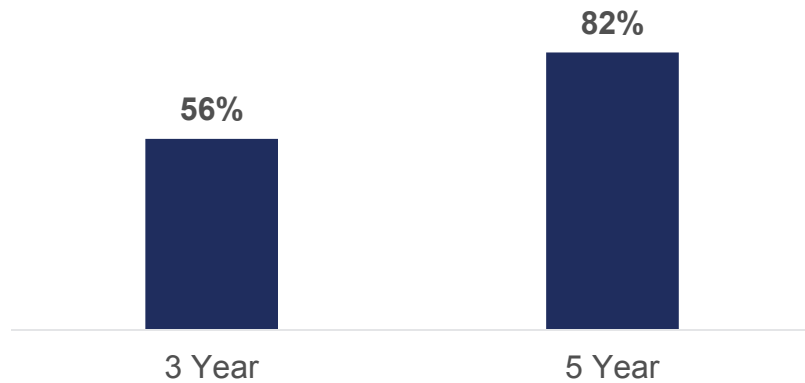


■ Client cash inflows and commitments ■ Net client cash flows

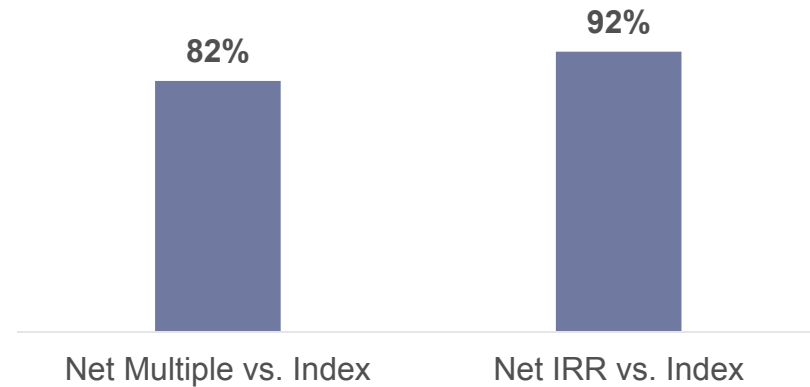
See pages 18 and 19 for additional information.

# Strong Long Term Investment Performance (AUM Ahead of Benchmark)

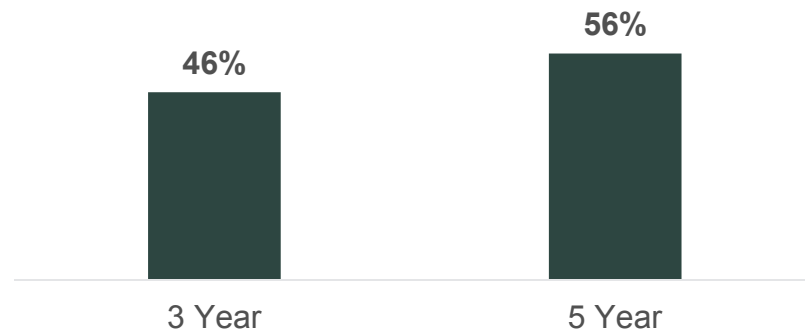
## Liquid Alternatives<sup>(1)</sup>: 28% of AUM



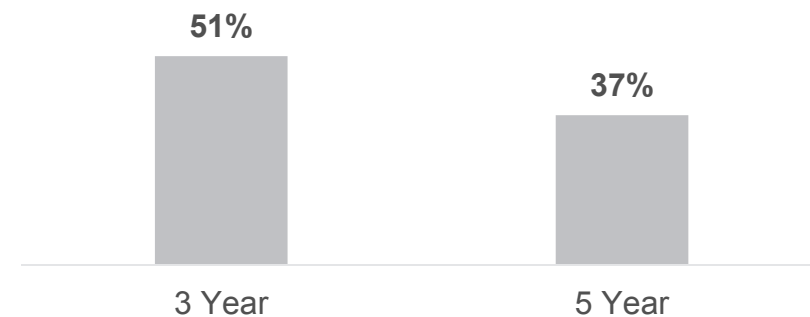
## Illiquid Alternatives: 12% of AUM



## Global Equity: 33% of AUM



## U.S. Equity: 13% of AUM



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

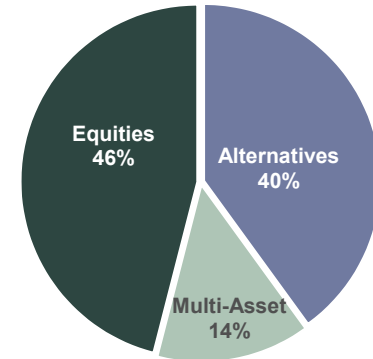
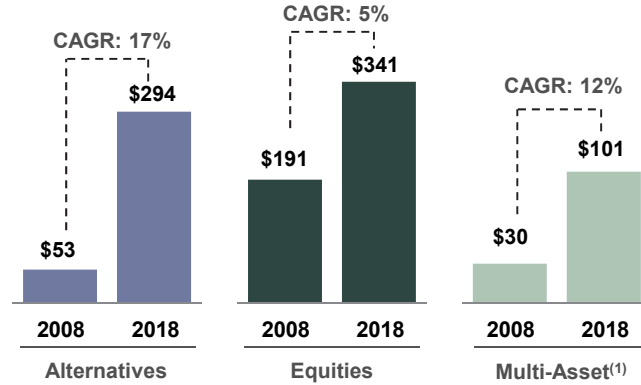
Past performance is not indicative of future results. Performance and AUM information is as of December 31, 2018 and is based on data available at the time of calculation. For liquid products, performance is reported as a percentage of assets that have outperformed benchmarks across the indicated periods, 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.

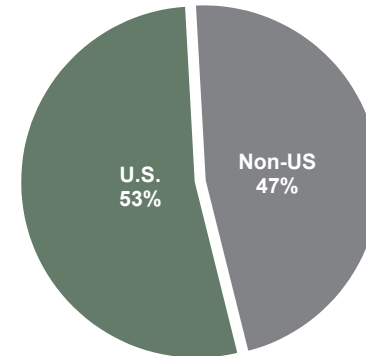
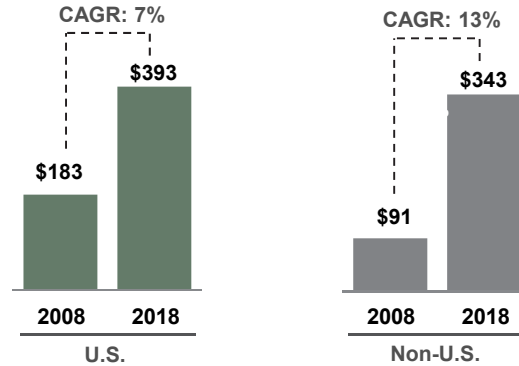


# AUM Growth Driven by Innovation and Diversification Since 2008

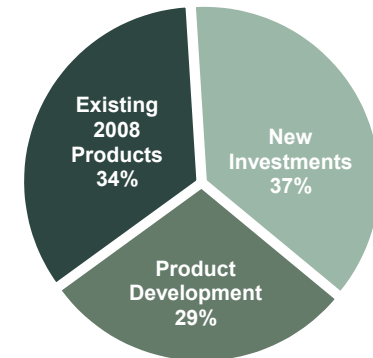
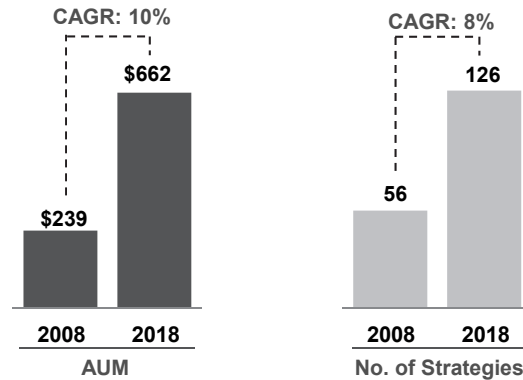
## Product Strategy



## Client Geography



## Scaled Strategies<sup>(2)</sup>



Notes: \$ in billions; 2008 and 2018 represent data as of December 31, 2007 and December 31, 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 8% since beginning of 2017

## Growing Dividend

Initiated dividend in 2017 and increased each year, including a 7% increase in 2019 to \$0.32 per share

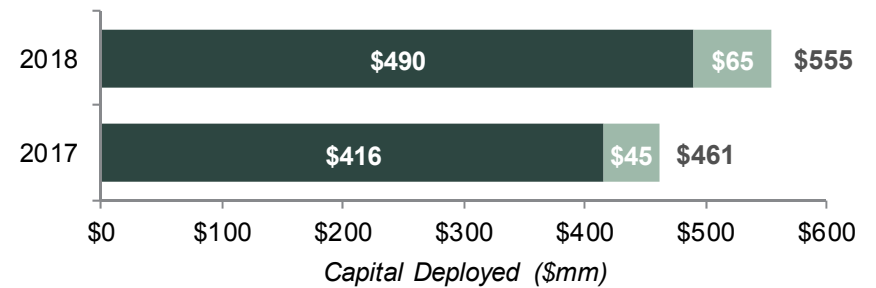
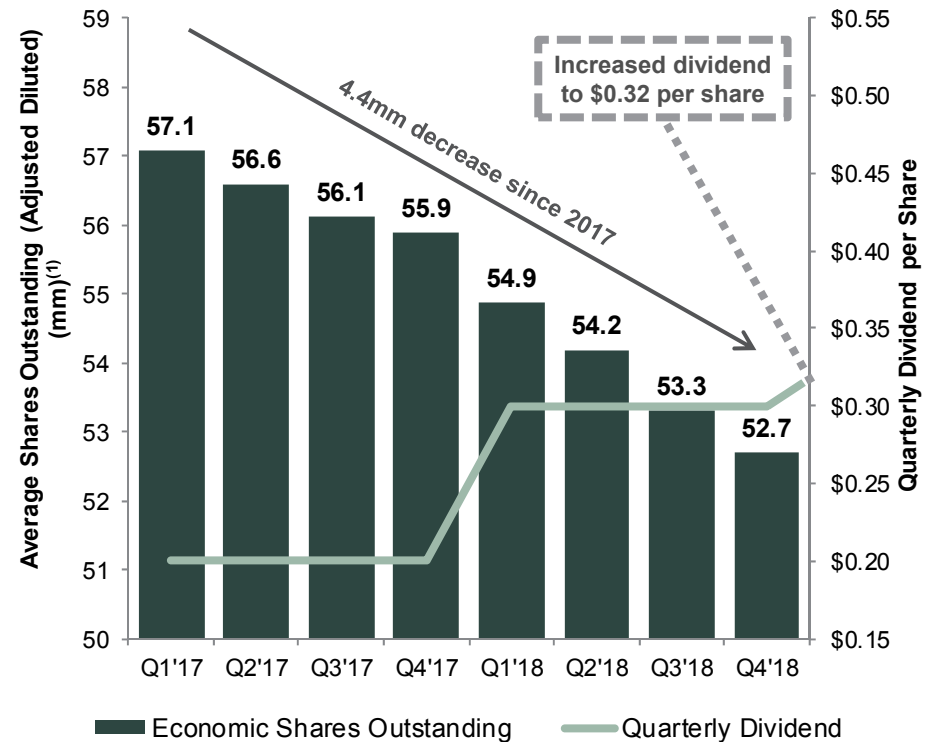
## Prudent Balance Sheet Management

A3 / A- rated by Moody's / S&P

## Significant New Investment Opportunity

Opportunity to increase future earnings through accretive new investments

## Consistent Capital Return



■ Share Repurchases ■ Quarterly Dividend

(1) Please refer to Note E on page 27 for definition of Average Shares Outstanding (Adjusted Diluted).

# Unique Growth Strategy

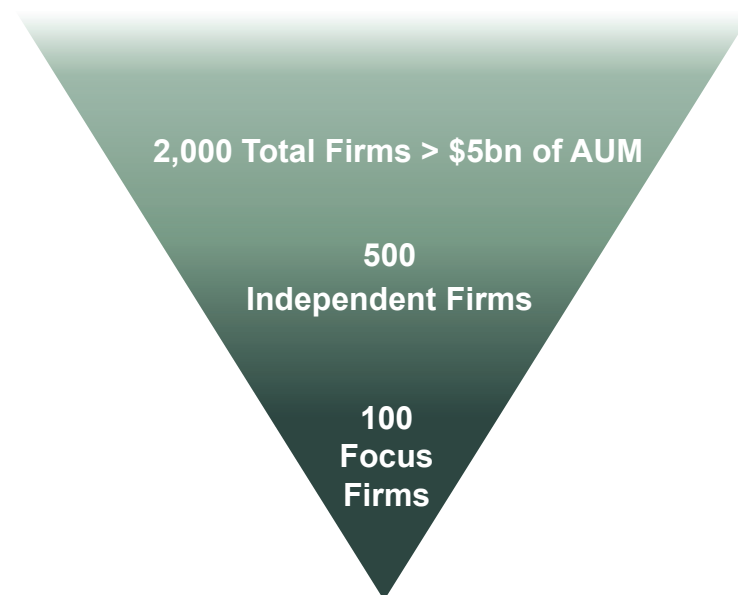
With a 25-year track record of successful investments and established relationships with leading independent firms, AMG has an outstanding forward opportunity set and is well-positioned to execute

## 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 \$115 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:** Since 2013, completed 15 investments in new boutiques including 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

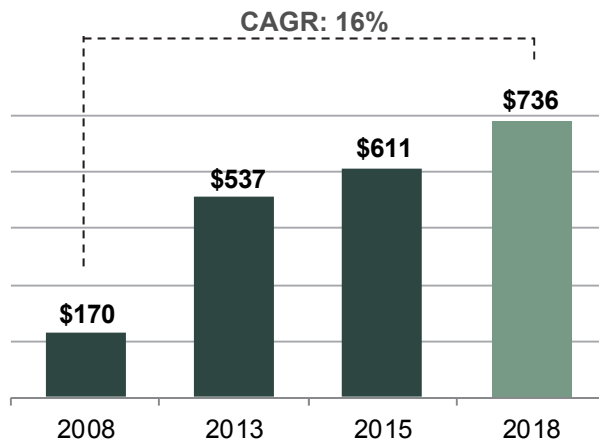
Global Distribution strategy enhances existing Affiliates' organic growth

## New Investments

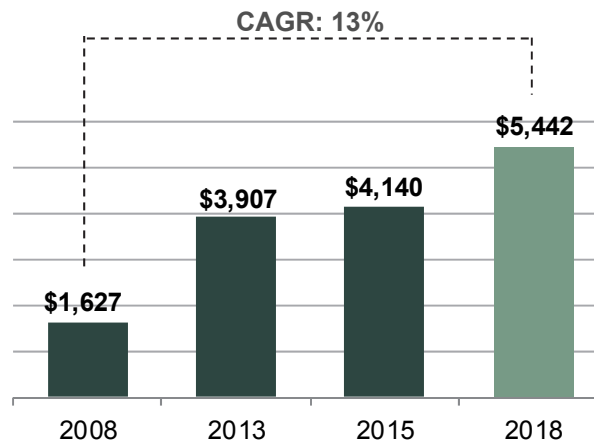
New Investments add incremental EBITDA and diversify AMG's position in attractive product areas

# Outstanding Earnings Growth Through Excellent Execution

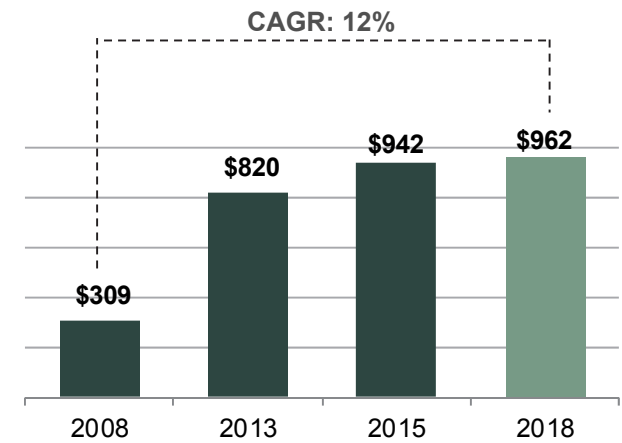
## Assets Under Management (\$bn)



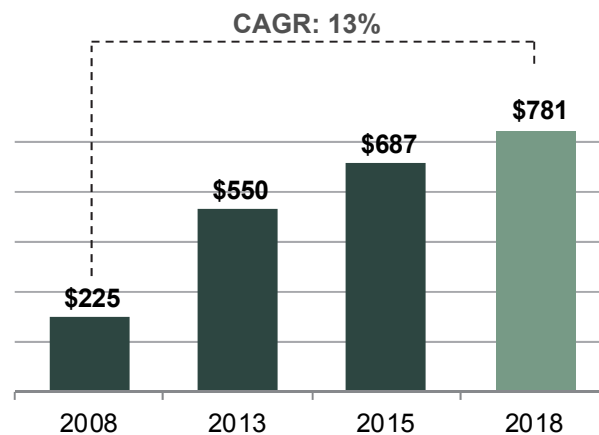
## Aggregate Fees<sup>(1)</sup> (\$mm)



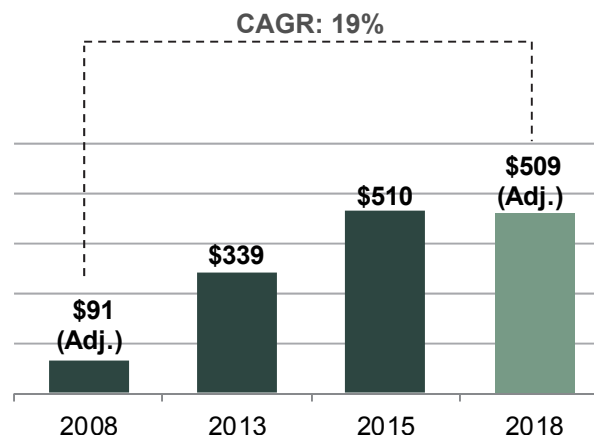
## Adjusted EBITDA (\$mm)



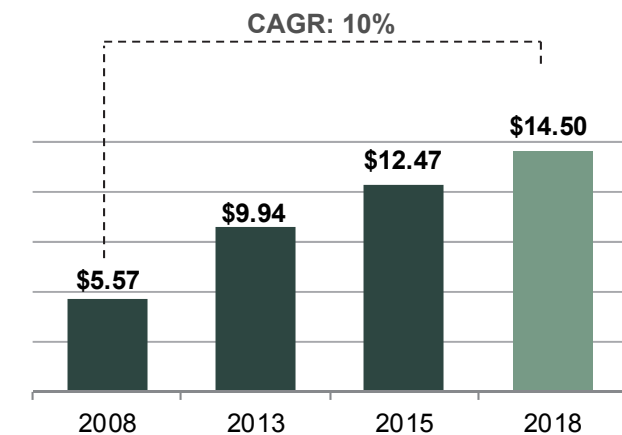
## Economic Net Income<sup>(3)</sup> (\$mm)



## Net Income<sup>(2)</sup> (\$mm)



## Economic Earnings Per Share<sup>(3)</sup>



(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.

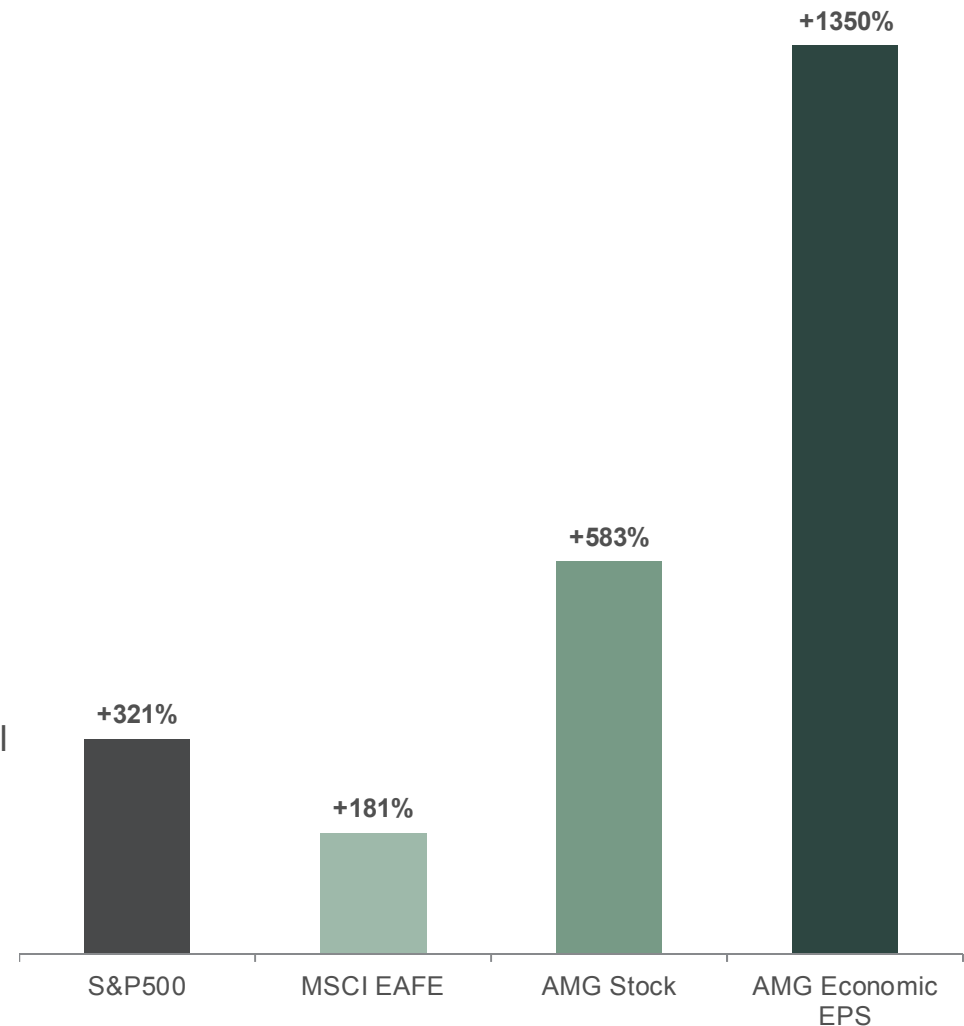
(2) Reported GAAP net income of \$243.6 million and (\$1.3) million in 2018 and 2008, respectively. 2018 net income adjusted to add back impairment charges net of taxes totaling \$265 million. 2008 net income adjusted to add back impairment charges net of taxes totaling \$92 million.

(3) See notes on page 26. 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)



Source: FactSet as of February 1, 2019.

See notes on page 26. 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<sup>(1)</sup>

Strategy	AUM		Performance				
	Weight	Selected Composite	Q1	Q2	Q3	Q4	2018 <sup>(2)</sup>
Alternatives	8%	HFRI Equity Hedge Index	0.3%	0.9%	0.3%	(8.3%)	(7.0%)
		HFRI Relative Value	0.4%	1.3%	1.4%	(3.2%)	(0.2%)
		HFRI Event Driven Activist	(2.3%)	4.0%	(0.7%)	(12.4%)	(11.6%)
	5%	SG Trend Index (Managed Futures)	(3.9%)	(1.3%)	2.1%	(5.1%)	(8.1%)
	12%	NA <sup>(3)</sup>	NA	NA	NA	NA	NA
15%	HFRI Fund Weighted Composite	(0.0%)	0.9%	0.5%	(5.9%)	(4.6%)	
Equities	25%	MSCI World	(1.2%)	1.9%	5.1%	(13.3%)	(8.2%)
		MSCI EAFE	(1.4%)	(1.0%)	1.4%	(12.5%)	(13.4%)
	8%	MSCI EM	1.5%	(7.9%)	(0.9%)	(7.4%)	(14.2%)
	13%	S&P 500	(0.8%)	3.4%	7.7%	(13.5%)	(4.4%)
		Russell 2000	(0.1%)	7.8%	3.6%	(20.2%)	(11.0%)
	14%	S&P 500	(0.8%)	3.4%	7.7%	(13.5%)	(4.4%)
Barclays Capital Aggregate		(1.5%)	(0.2%)	0.0%	1.6%	0.0%	

Source: Bloomberg as of February 1, 2019.

(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 February 1, 2019. 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 December 31, 2018.

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



# Operating and Financial Measures (Three Months Ended and Year Ended)

<i>(in millions, except as noted and per share data)</i>	Three Months Ended		Year Ended	
	12/31/17	12/31/18	12/31/17	12/31/18
<b>Operating performance measure</b>				
Assets under management (at period end, in billions) (A)	\$ 836.3	\$ 736.0	\$ 836.3	\$ 736.0
Average assets under management (in billions) (A)	\$ 819.8	\$ 776.0	\$ 779.2	\$ 819.9
Consolidated Affiliate average assets under management (in billions)	\$ 423.8	\$ 395.4	\$ 406.4	\$ 419.5
Equity method Affiliate average assets under management (in billions)	\$ 396.0	\$ 380.6	\$ 372.7	\$ 400.3
Aggregate fees (B)	\$ 1,685.1	\$ 1,231.6	\$ 5,545.8	\$ 5,442.4
<b>Financial Performance Measures</b>				
Net income (controlling interest)	\$ 315.4	\$ (151.3)	\$ 689.5	\$ 243.6
Adjusted EBITDA (controlling interest) (C)	\$ 361.3	\$ 191.3	\$ 1,116.2	\$ 961.8
Economic net income (controlling interest) (D)	\$ 261.3	\$ 185.8	\$ 824.4	\$ 780.7
Average shares outstanding (diluted)	58.0	52.5	58.6	53.8
Earnings per share (diluted)	\$ 5.50	\$ (2.88)	\$ 12.03	\$ 4.52
Average shares outstanding (adjusted diluted) (E)	55.8	52.7	56.4	53.8
Economic earnings per share (E)	\$ 4.68	\$ 3.53	\$ 14.60	\$ 14.50

## Q4'18 Assets Under Management by Strategy

### Quarter to Date:

<b>Statement of Changes— Quarter to Date</b>	<b>Alternatives</b>	<b>Global Equities</b>	<b>U.S. Equities</b>	<b>Multi-asset &amp; Other</b>	<b>Total</b>
<b>Assets under management, September 30, 2018</b>	<b>\$ 321.9</b>	<b>\$ 284.0</b>	<b>\$ 119.6</b>	<b>\$ 104.1</b>	<b>\$ 829.6</b>
Client cash inflows and commitments	10.6	10.2	4.5	4.6	29.9
Client cash outflows	(20.1)	(13.2)	(8.4)	(4.0)	(45.7)
Net client cash flows	(9.5)	(3.0)	(3.9)	0.6	(15.8)
Market changes	(13.9)	(33.6)	(17.3)	(2.7)	(67.5)
Foreign exchange	(1.1)	(2.6)	(0.3)	(0.8)	(4.8)
Realizations and distributions (net)	(1.8)	(0.2)	(0.5)	-	(2.5)
Other (F)	(2.1)	(0.8)	-	(0.1)	(3.0)
<b>Assets under management, December 31, 2018</b>	<b>\$ 293.5</b>	<b>\$ 243.8</b>	<b>\$ 97.6</b>	<b>\$ 101.1</b>	<b>\$ 736.0</b>

### Year to Date:

<b>Statement of Changes— Quarter to Date</b>	<b>Alternatives</b>	<b>Global Equities</b>	<b>U.S. Equities</b>	<b>Multi-asset &amp; Other</b>	<b>Total</b>
<b>Assets under management, December 31, 2017</b>	<b>\$ 324.0</b>	<b>\$ 293.4</b>	<b>\$ 116.1</b>	<b>\$ 102.8</b>	<b>\$ 836.3</b>
Client cash inflows and commitments	55.1	44.1	18.8	18.1	136.1
Client cash outflows	(51.9)	(52.0)	(27.8)	(16.9)	(148.6)
Net client cash flows	3.2	(7.9)	(9.0)	1.2	(12.5)
Market changes	(18.1)	(34.0)	(7.5)	(1.2)	(60.8)
Foreign exchange	(2.9)	(5.8)	(0.4)	(1.5)	(10.6)
Realizations and distributions (net)	(8.1)	(0.5)	(0.5)	(0.1)	(9.2)
Other (F)	(4.6)	(1.4)	(1.1)	(0.1)	(7.2)
<b>Assets under management, December 31, 2018</b>	<b>\$ 293.5</b>	<b>\$ 243.8</b>	<b>\$ 97.6</b>	<b>\$ 101.1</b>	<b>\$ 736.0</b>

## Q4'18 Assets Under Management by Client Type

### Quarter to Date:

<b>Statement of Changes— Quarter to Date</b>	<b>Institutional</b>	<b>Retail</b>	<b>High Net Worth</b>	<b>Total</b>
<b>Assets under management, September 30, 2018</b>	<b>\$ 482.4</b>	<b>\$ 229.6</b>	<b>\$ 117.6</b>	<b>\$ 829.6</b>
Client cash inflows and commitments	13.2	13.0	3.7	29.9
Client cash outflows	(18.8)	(21.8)	(5.1)	(45.7)
Net client cash flows	(5.6)	(8.8)	(1.4)	(15.8)
Market changes	(36.5)	(23.0)	(8.0)	(67.5)
Foreign exchange	(2.8)	(1.5)	(0.5)	(4.8)
Realizations and distributions (net)	(1.7)	(0.8)	-	(2.5)
Other (F)	(2.9)	(0.1)	-	(3.0)
<b>Assets under management, December 31, 2018</b>	<b>\$ 432.9</b>	<b>\$ 195.4</b>	<b>\$ 107.7</b>	<b>\$ 736.0</b>

### Year to Date:

<b>Statement of Changes— Year to Date</b>	<b>Institutional</b>	<b>Retail</b>	<b>High Net Worth</b>	<b>Total</b>
<b>Assets under management, December 31, 2017</b>	<b>\$ 488.6</b>	<b>\$ 232.7</b>	<b>\$ 115.0</b>	<b>\$ 836.3</b>
Client cash inflows and commitments	63.4	56.2	16.5	136.1
Client cash outflows	(64.1)	(66.9)	(17.6)	(148.6)
Net client cash flows	(0.7)	(10.7)	(1.1)	(12.5)
Market changes	(34.1)	(22.0)	(4.7)	(60.8)
Foreign exchange	(5.8)	(4.0)	(0.8)	(10.6)
Realizations and distributions (net)	(7.9)	(0.9)	(0.4)	(9.2)
Other (F)	(7.2)	0.3	(0.3)	(7.2)
<b>Assets under management, December 31, 2018</b>	<b>\$ 432.9</b>	<b>\$ 195.4</b>	<b>\$ 107.7</b>	<b>\$ 736.0</b>

# Consolidated Statements of Income

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2018	2017	2018
<i>(in millions, except per share data)</i>				
<b>Consolidated revenue</b>	\$ 604.1	\$ 564.4	\$ 2,305.0	\$ 2,378.4
Consolidated expenses:				
Compensation and related expenses	256.1	225.8	979.0	987.2
Selling, general and administrative	103.5	103.3	373.1	417.7
Intangible amortization and impairments	21.2	38.3	86.4	114.8
Interest expense	20.2	18.1	87.8	80.6
Depreciation and other amortization	5.4	5.5	20.3	22.0
Other expenses (net)	22.1	36.3	58.0	69.7
<b>Total consolidated expenses</b>	<b>428.5</b>	<b>427.3</b>	<b>1,604.6</b>	<b>1,692.0</b>
Equity method income (loss) (net) (G)	70.6	(191.4)	302.2	(0.2)
Investment and other income	17.8	(9.3)	64.5	27.4
<b>Income before income taxes</b>	<b>264.0</b>	<b>(63.6)</b>	<b>1,067.1</b>	<b>713.6</b>
Income tax (benefit) expense (J)	(129.8)	35.2	58.4	181.3
<b>Net income</b>	<b>393.8</b>	<b>(98.8)</b>	<b>1,008.7</b>	<b>532.3</b>
Net income (non-controlling interests)	(78.4)	(52.5)	(319.2)	(288.7)
<b>Net income (controlling interest)</b>	<b>\$ 315.4</b>	<b>\$ (151.3)</b>	<b>\$ 689.5</b>	<b>\$ 243.6</b>
<b>Average shares outstanding (basic)</b>	<b>55.4</b>	<b>52.5</b>	<b>56.0</b>	<b>53.6</b>
<b>Average shares outstanding (diluted)</b>	<b>58.0</b>	<b>52.5</b>	<b>58.6</b>	<b>53.8</b>
<b>Earnings per share (basic)</b>	<b>\$ 5.69</b>	<b>\$ (2.88)</b>	<b>\$ 12.30</b>	<b>\$ 4.55</b>
<b>Earnings per share (diluted)</b>	<b>\$ 5.50</b>	<b>\$ (2.88)</b>	<b>\$ 12.03</b>	<b>\$ 4.52</b>
<b>Dividends per share</b>	<b>\$ 0.20</b>	<b>\$ 0.30</b>	<b>\$ 0.80</b>	<b>\$ 1.20</b>

## Reconciliations of Performance Measures (Three Months Ended)

	Three Months Ended				
	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18
<b>Net income (controlling interest)</b>	\$ 315.4	\$ 153.0	\$ 117.0	\$ 124.9	\$ (151.3)
Intangible amortization and impairments (G)	143.9	47.6	74.4	44.9	288.0
Intangible-related deferred taxes	(12.9)	13.2	4.7	12.2	49.6
Other economic items (H)	9.0	1.4	(0.5)	2.0	(0.5)
Changes in U.S. tax law (J)	(194.1)	-	-	-	-
<b>Economic net income (controlling interest) (D)</b>	<b>\$ 261.3</b>	<b>\$ 215.2</b>	<b>\$ 195.6</b>	<b>\$ 184.0</b>	<b>\$ 185.8</b>
<b>Net income (controlling interest)</b>	\$ 315.4	\$ 153.0	\$ 117.0	\$ 124.9	\$ (151.3)
Interest expense	20.2	21.6	21.4	19.6	18.1
Income taxes	(132.1)	60.8	31.6	46.2	30.7
Intangible amortization and impairments	143.9	47.6	74.4	44.9	288.0
Other items (I)	13.9	3.5	1.8	2.2	5.8
<b>Adjusted EBITDA (controlling interest) (C)</b>	<b>\$ 361.3</b>	<b>\$ 286.5</b>	<b>\$ 246.2</b>	<b>\$ 237.8</b>	<b>\$ 191.3</b>
	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18
<b>Average shares outstanding (diluted)</b>	<b>58.0</b>	<b>57.0</b>	<b>54.2</b>	<b>55.4</b>	<b>52.5</b>
Convertible securities shares	(2.2)	(2.2)	-	(2.2)	-
<b>Average shares outstanding (adjusted diluted) ( E)</b>	<b>55.8</b>	<b>54.8</b>	<b>54.2</b>	<b>53.2</b>	<b>52.7</b>
<b>Economic earnings per share ( E)</b>	<b>\$ 4.68</b>	<b>\$ 3.92</b>	<b>\$ 3.61</b>	<b>\$ 3.45</b>	<b>\$ 3.53</b>

## Consolidated Balance Sheets, December 31, 2017 – December 31, 2018

<i>(in millions)</i>	December 31, 2017	December 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 439.5	\$ 565.5
Receivables	433.8	400.6
Goodwill	2,662.5	2,633.4
Acquired client relationships (net)	1,449.7	1,309.9
Equity method investments in Affiliates (net)	3,304.7	2,791.0
Fixed assets (net)	111.0	104.3
Investments and other assets	300.9	414.4
<b>Total assets</b>	<b>\$ 8,702.1</b>	<b>\$ 8,219.1</b>
<b>Liabilities and Equity</b>		
Payables and accrued liabilities	\$ 807.2	\$ 750.9
Senior debt	1,550.3	1,522.2
Convertible securities	304.4	307.4
Deferred income tax liability (net)	467.4	507.3
Other liabilities	182.4	162.7
<b>Total liabilities</b>	<b>3,311.7</b>	<b>3,250.5</b>
Redeemable non-controlling interests (K)	811.9	837.4
<b>Equity:</b>		
Common stock	0.6	0.6
Additional paid-in capital	808.6	832.0
Accumulated other comprehensive income (loss)	(21.8)	(109.0)
Retained earnings	3,698.5	3,876.8
	4,485.9	4,600.4
Less: treasury stock, at cost	(663.7)	(1,146.7)
<b>Total stockholders' equity</b>	<b>3,822.2</b>	<b>3,453.7</b>
Non-controlling interests	756.3	677.5
<b>Total equity</b>	<b>4,578.5</b>	<b>4,131.2</b>
<b>Total liabilities and equity</b>	<b>\$ 8,702.1</b>	<b>\$ 8,219.1</b>

# Operating and Financial Measures

<i>(in millions, except as noted and per share data)</i>	Year Ended	
	12/31/17	12/31/18
<b>Operating performance measure</b>		
Assets under management (at period end, in billions) (A)	\$ 836.3	\$ 736.0
Average assets under management (in billions) (A)	\$ 779.2	\$ 819.9
Consolidated Affiliate average assets under management (in billions)	\$ 406.4	\$ 419.5
Equity method Affiliate average assets under management (in billions)	\$ 372.7	\$ 400.3
Aggregate fees (B)	\$ 5,545.8	\$ 5,442.4
<b>Financial Performance Measures</b>		
Net income (controlling interest)	\$ 689.5	\$ 243.6
Adjusted EBITDA (controlling interest) (C)	\$ 1,116.2	\$ 961.8
Economic net income (controlling interest) (D)	\$ 824.4	\$ 780.7
Average shares outstanding (diluted)	58.6	53.8
Earnings per share (diluted)	\$ 12.03	\$ 4.52
Average shares outstanding (adjusted diluted) (E)	56.4	53.8
Economic earnings per share (E)	\$ 14.60	\$ 14.50

# Consolidated Statements of Income

<i>(in millions, except per share data)</i>	Year Ended		
	12/31/16	12/31/17	12/31/18
<b>Consolidated revenue</b>	\$ 2,194.6	\$ 2,305.0	\$ 2,378.4
Consolidated expenses:			
Compensation and related expenses	932.4	979.0	987.2
Selling, general and administrative	398.1	373.1	417.7
Intangible amortization and impairments	110.2	86.4	114.8
Interest expense	91.7	87.8	80.6
Depreciation and other amortization	19.5	20.3	22.0
Other expenses (net)	43.3	58.0	69.7
<b>Total consolidated expenses</b>	<b>1,595.2</b>	<b>1,604.6</b>	<b>1,692.0</b>
Equity method income (loss) (net) (G)	328.8	302.2	(0.2)
Investment and other income	46.4	64.5	27.4
<b>Income before income taxes</b>	<b>974.6</b>	<b>1,067.1</b>	<b>713.6</b>
Income tax (benefit) expense (J)	235.6	58.4	181.3
<b>Net income</b>	<b>739.0</b>	<b>1,008.7</b>	<b>532.3</b>
Net income (non-controlling interests)	(266.2)	(319.2)	(288.7)
<b>Net income (controlling interest)</b>	<b>\$ 472.8</b>	<b>\$ 689.5</b>	<b>\$ 243.6</b>
<b>Average shares outstanding (basic)</b>	<b>54.2</b>	<b>56.0</b>	<b>53.6</b>
<b>Average shares outstanding (diluted)</b>	<b>57.0</b>	<b>58.6</b>	<b>53.8</b>
<b>Earnings per share (basic)</b>	<b>\$ 8.73</b>	<b>\$ 12.30</b>	<b>\$ 4.55</b>
<b>Earnings per share (diluted)</b>	<b>\$ 8.57</b>	<b>\$ 12.03</b>	<b>\$ 4.52</b>
<b>Dividends per share</b>	<b>\$ -</b>	<b>\$ 0.80</b>	<b>\$ 1.20</b>



## Reconciliations of Performance Measures

	Year Ended		
	2016	2017	2018
<b>Net income (controlling interest)</b>	<b>\$ 472.8</b>	<b>\$ 689.5</b>	<b>\$ 243.6</b>
Intangible amortization and impairments (G)	142.5	265.4	454.9
Intangible-related deferred taxes	84.3	48.8	79.7
Other economic items (H)	4.0	14.8	2.5
Changes in U.S. tax law (J)	-	(194.1)	-
<b>Economic net income (controlling interest) (D)</b>	<b>\$ 703.6</b>	<b>\$ 824.4</b>	<b>\$ 780.7</b>
<b>Net income (controlling interest)</b>	<b>\$ 472.8</b>	<b>\$ 689.5</b>	<b>\$ 243.6</b>
Interest expense	91.7	87.8	80.6
Income taxes	229.2	50.4	169.4
Intangible amortization and impairments	142.5	265.4	454.9
Other items (I)	9.3	23.1	13.3
<b>Adjusted EBITDA (controlling interest) (C)</b>	<b>\$ 945.5</b>	<b>\$ 1,116.2</b>	<b>\$ 961.8</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Average shares outstanding (diluted)</b>	<b>57.0</b>	<b>58.6</b>	<b>53.8</b>
Convertible securities shares	(2.2)	(2.2)	-
<b>Average shares outstanding (adjusted diluted) (E)</b>	<b>54.8</b>	<b>56.4</b>	<b>53.8</b>
<b>Economic earnings per share (E)</b>	<b>\$ 12.84</b>	<b>\$ 14.60</b>	<b>\$ 14.50</b>

# Forward-Looking Statements

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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](http://www.amg.com) and encourages investors to consult that section regularly.

## Economic EPS: Notes

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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

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- (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 and 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 results in our operating performance measures and Consolidated Financial Statements. For certain of our equity method Affiliates, we report aggregate fees and the Affiliate's financial results in our Consolidated Financial Statements 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. For the three months and year ended December 31, 2017, we excluded from Economic net income (controlling interest) a one-time benefit from changes in U.S. tax law, as more fully described in Note J. 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. We excluded the one-time impact of the changes in U.S. tax law to ensure comparability with prior and future periods.
- (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 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 three months ended June 30, 2018, we recorded a \$33.3 non-cash expense to reduce the carrying value of one of our U.S. alternative managers accounted for under the equity method. For the three months ended December 31, 2018, we recorded a \$240.0 non-cash expense to reduce the carrying value of one of our non-US alternative managers accounted for under the equity method.
- (H) For the three months and year ended December 31, 2017, Other economic items are net of income tax expense of \$4.4 and \$5.8, respectively. For the three months and year ended December 31, 2018, the income tax effects of Other economic items were not significant.
- (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. For the three months and year ended December 31, 2017, tax attributable to the controlling interest includes a one-time net benefit of \$194.1 from the changes in U.S. tax law enacted on December 22, 2017, primarily from the re-measurement of our deferred tax liabilities associated with our intangible assets and convertible securities.
- (K) As of December 31, 2017 and 2018, Redeemable non-controlling interests includes Affiliate sponsored consolidated products predominantly attributable to third party investors of \$39.4 and \$91.0, respectively.