



Investor Overview

Q2 2016

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 strong earnings growth and shareholder value creation

Key Facts

- ▶ **Founded:** 1993
- ▶ **Market Cap:** \$8.5 billion (S&P 500® / NYSE: AMG)
- ▶ **Assets Under Management:** Approximately \$700 billion
- ▶ **Products:** 500+

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

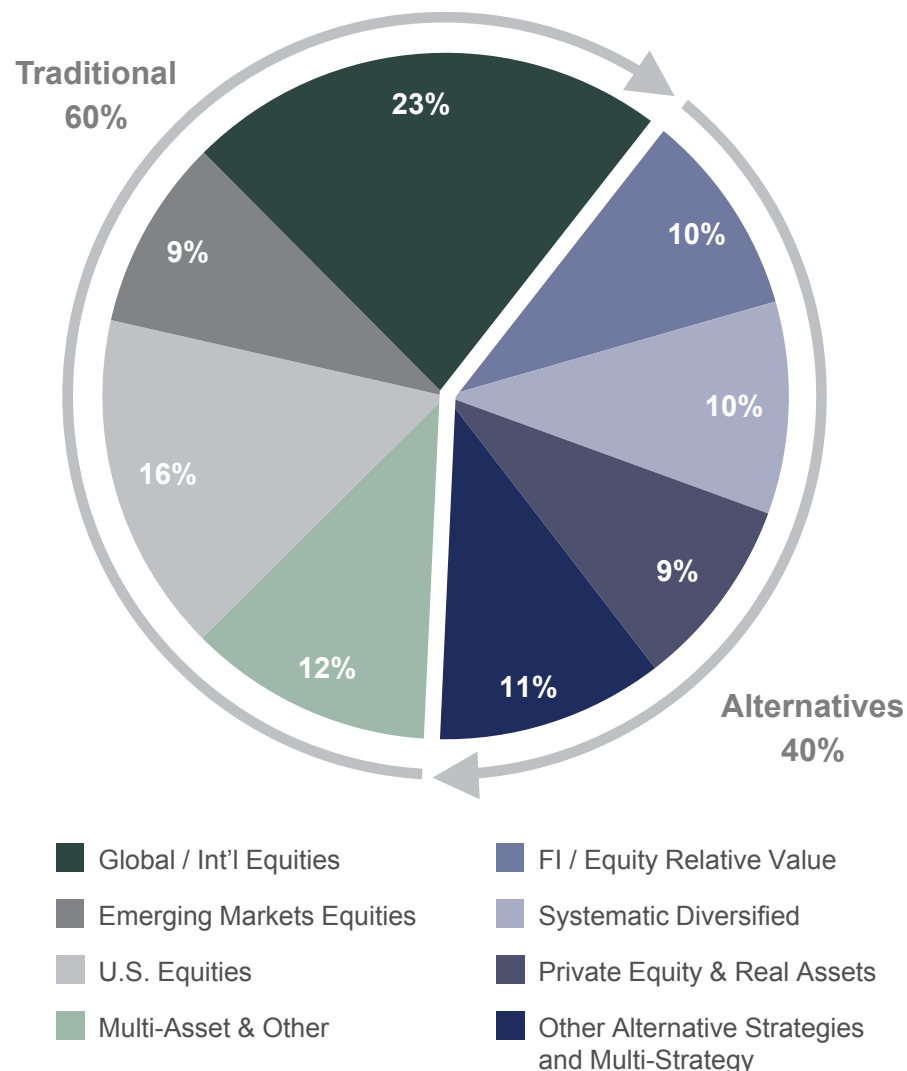
Unique Partnership Approach / Opportunity

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

Equity market capitalization as of 9/13/16. AUM and products as of 6/30/16; AUM is approximate and pro forma for pending investments and investments which have since closed.

Diverse Exposures Across Broad Array of Traditional and Alternative Strategies

- ▶ Given AMG's strategic focus on the most attractive alpha-generating products, active equities and alternatives account for virtually all of the company's ~\$700 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 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 \$285 billion in assets
 - ▶ Over 70% of earnings contribution from alternative firms is management fee revenue, including a meaningful portion from long-locked assets
 - ▶ Performance fee contribution (across over 115 strategies) is increasingly diverse and consistent; only recognized when crystalized as cash



AUM by product strategy shown, pro forma for pending investments and investments which have since closed.

Of the 23% of total AUM in Global / Int'l Equities, 6% was US Equities, 4% UK Equities, 4% Developed Europe ex-UK, and 9% Other.

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 40%



Global quantitative specialist across alternative and traditional strategies

Baring Private Equity Asia

Largest dedicated Asian private equity firm



Global alternatives manager investing across a diverse array of strategies



Global fixed income specialist

PANTHEON

Global specialist in private equity primary and secondary investing

systematica
investments

Systematic trading and managed futures specialist



Concentrated, active value investor



Systematic investment manager

Global Equities 32%



Global quantitative specialist across alternative and traditional strategies



Active manager of UK, European, and global growth strategies



Emerging markets specialist investing in undervalued firms



Global equity manager investing in high-quality, growing companies



Tweedy, Browne Company LLC
Established in 1920

Global and international value equity specialist

Veritas
— Asset
Management

Real Return Approach focused on global and Asian equities

U.S. Equities 16%



Fundamental growth and relative value equity specialist



RIVER ROAD
ASSET MANAGEMENT

Value equity specialist in low volatility, income-oriented strategies



Value equity manager throughout the market capitalization spectrum



Growth equity manager specializing in mid-cap and small-cap strategies



Large-cap equity specialist with a unique, value-oriented approach

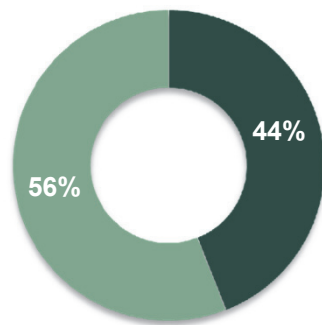
AUM by product type, pro forma for pending investments and investments which have since closed; excludes multi-asset and other.

AUM is Diversified Across Regions, Channels and Products

- ▶ Nearly half of AUM from clients domiciled outside the United States
- ▶ Institutional-oriented business with approximately 75% of AUM from institutions and HNW clients
- ▶ Over 70% of AUM in global equities and alternative strategies

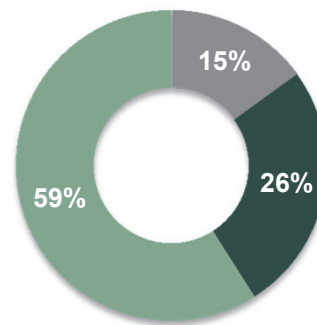
AMG's AUM Contribution

Client Location



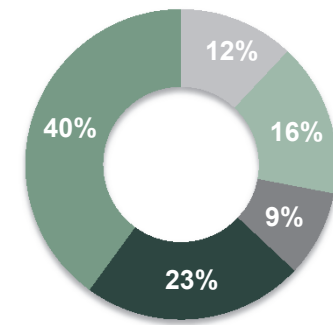
- U.S.
- Non-U.S.

Distribution Channel



- Institutional
- Mutual Fund
- HNW

Product Type



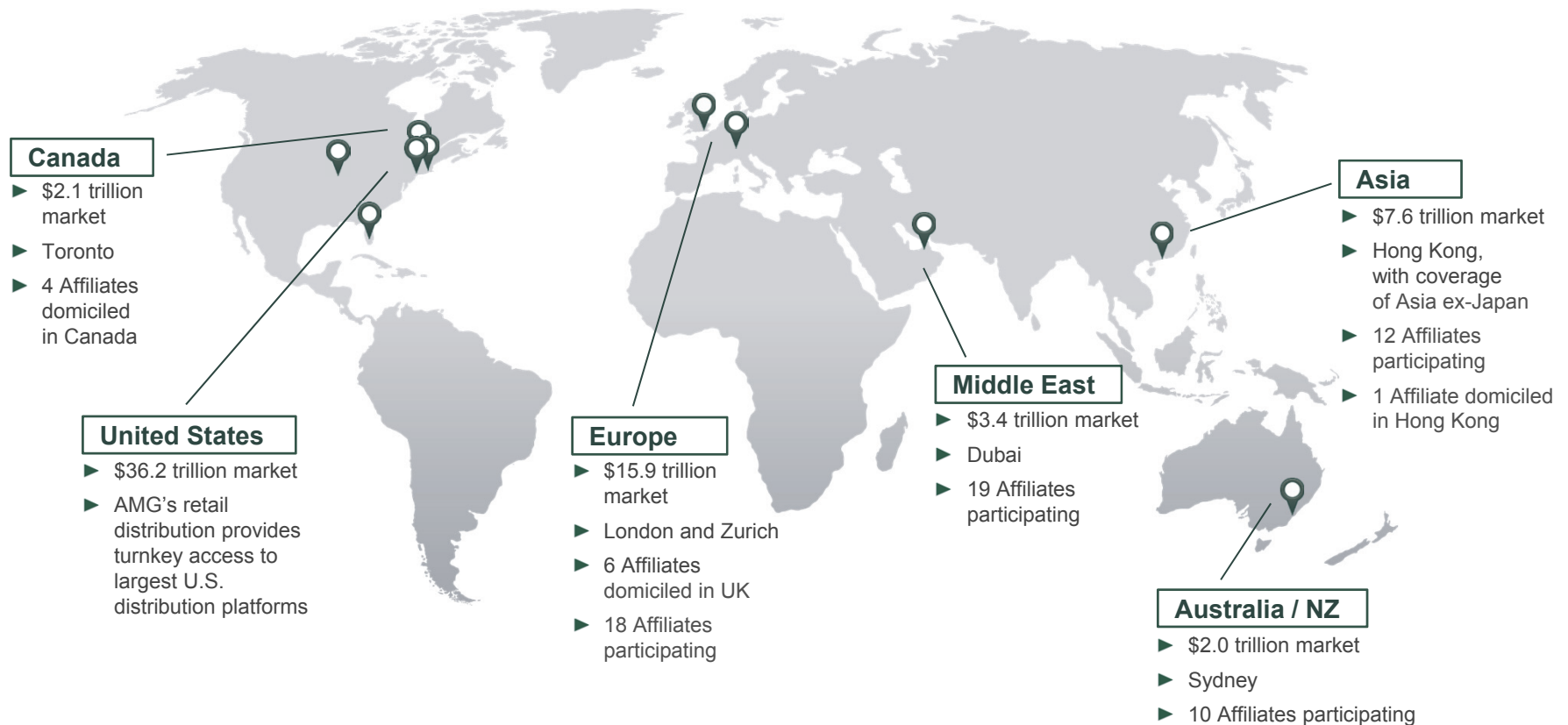
- Alternatives
- Global / Int'l Equities
- EM Equities
- U.S. Equities
- Multi-Asset & Other

Most recently available AUM by client location, distribution channel, and product type, pro forma for pending investments and investments which have since closed.

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 Distribution Platform



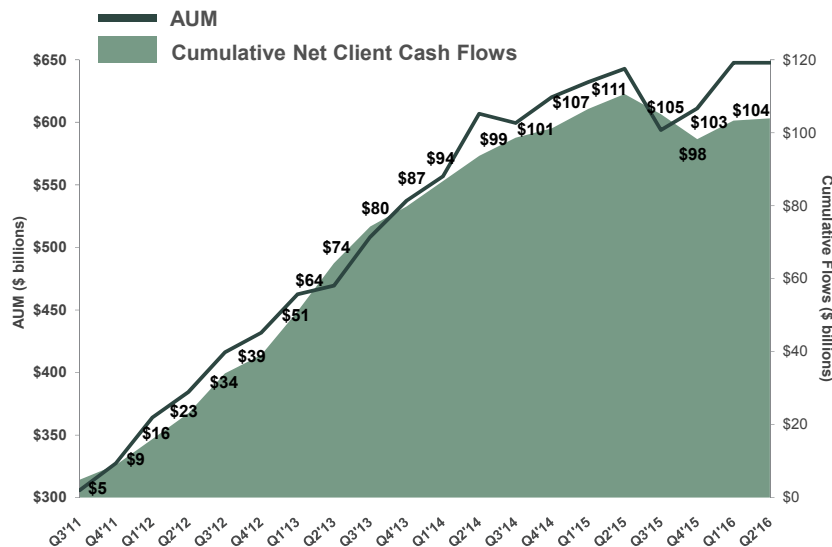
Source: BCG, Investor Economics, Australian Bureau of Statistics, ML Cap Gemini, Council on Foreign Relations, AMG Analysis.
Market size estimates for quarter ended 6/30/16; AMG data for Q2'16. All market sizes shown in USD. Data pro forma for pending investments and investments which have since closed.

Long-Term Track Record of Organic Growth from Net Client Cash Flows

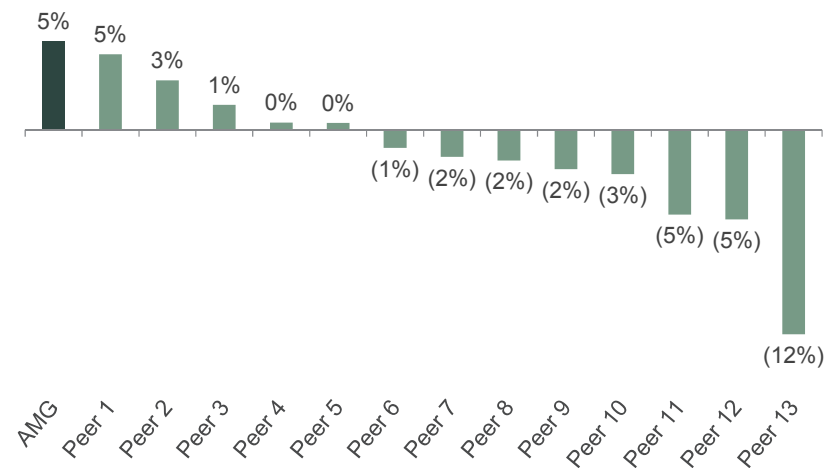
- ▶ AMG's Affiliates have generated positive net flows in 23 of the last 25 quarters, including approximately \$105 billion over the last five years – virtually all from return-oriented products
- ▶ AMG is well-positioned for continued strong organic growth driven by:
 - Affiliates' outstanding long-term investment performance
 - Unparalleled global distribution capability
 - Broadening our lineup of return-oriented investment strategies through product development at existing Affiliates and the addition of new Affiliates

AMG's Standalone Organic Growth: Last Five Years

Cumulative Net Flows



Annualized Organic Growth vs. Peers



Data as of most recent quarter end.
 AUM displayed in each period pro forma for pending investments and investments which have since closed.
 Peers include: AB, AMP, BEN, BLK, CLMS, CNS, EV, FII, IVZ, JNS, LM, TROW, WDR.

New Investments Enhance Growth and New Product Opportunities

- ▶ Since the global financial crisis, AMG has announced investments in new Affiliates that have added approximately \$240 billion in AUM across more than 200 new investment products
- ▶ Focus on leading firms which exhibit strong prospects in secular growth product areas
 - Target universe of more than 1,800 firms globally; active dialogue with more than 800 firms; approximately 150 core prospects with median AUM of \$12 billion
 - Typical catalysts: partner demographics, corporate sellers

New Affiliates Since 2009



Systematic investment manager



Systematic trading and managed futures specialist



GLOBAL ENERGY PARTNERS

Global private equity specialist in energy and energy-related infrastructure



Global and emerging markets growth equity manager



Advisory solutions for corporate executives, private clients and retirement plans



Global fixed income specialist



Active manager of South African and global equities



RIVER ROAD ASSET MANAGEMENT

Value equity specialist in low volatility, income-oriented strategies



Global specialist in private equity primary and secondary investing



BAKER STREET ADVISORS
Independent. Customized. Focused.

Customized portfolios focused on asset allocation for HNW individuals



Global thematic L/S specialist



Long/short equity manager with a value based approach



Value-oriented SMID, small cap, and global equity manager



Active manager of UK, European, and global growth strategies



Strategic and tactical asset allocation solutions for HNW individuals



Largest dedicated Asian private equity firm



Real Return Approach focused on global and Asian equities



Large-cap equity specialist with a unique, value-oriented approach



Global equity manager investing in high-quality, growing companies



Comprehensive and tax-sensitive investment solutions for HNW individuals

All data shown as of 6/30/16, pro forma for pending investments and investments which have since closed.

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 over the last five years of approximately \$105 billion into active equity products and alternative strategies
 - Continued investment to enhance the depth and breadth of AMG’s distribution platforms
- ▶ **New Investments:** Over \$5 billion in transaction value since the Global Financial Crisis
 - Completed 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

Prospecting

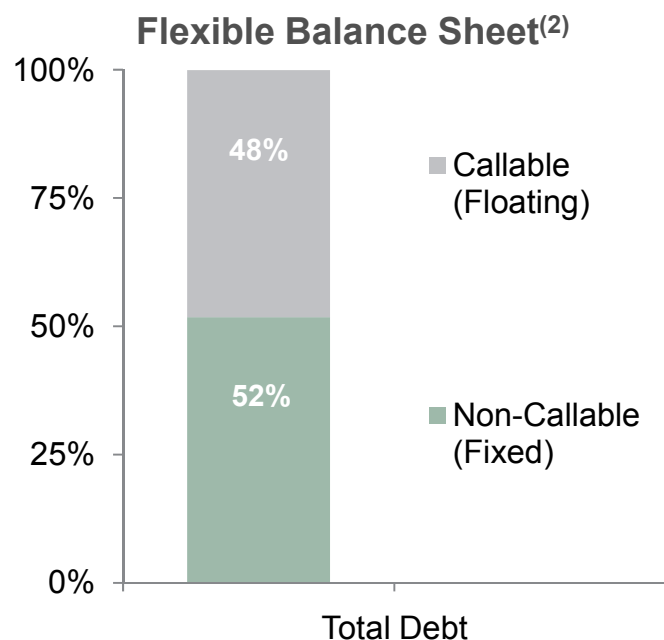
New Investments add incremental EBITDA and diversify AMG’s position in attractive product areas

All data shown as of 6/30/16, pro forma for pending investments and investments which have since closed.

Strong Recurring Cash Flow and Flexible Balance Sheet

- ▶ Cash flow diversified in return-oriented assets across Affiliates, client channels, and geographies
- ▶ Recurring free cash flow from Affiliate quarterly distributions provides financial flexibility
- ▶ Significant capacity⁽¹⁾ and scale to fund accretive investments and share repurchases
- ▶ Balance sheet strength and high degree of liquidity reflected in credit ratings: A3 by Moody's and BBB+ (Positive Outlook) by Standard & Poor's
- ▶ Equity sold under forward provides additional financial flexibility and capacity

Key Balance Sheet Metrics as of 6/30/16



Low Cost of Capital

AMG Debt (\$MM)	Coupon Rate	Face Value	Maturity
Senior Bank Debt	1.56%	\$ 900	4 yrs
Senior Notes	4.44	950	13
Convertible	5.15	431	21
Total Debt	3.43%	\$ 2,281	11 yrs
Bank Leverage Ratio⁽³⁾		1.8x	

(1) \$1.45 billion bank revolver with approximately \$900 million of remaining capacity as of 6/30/16.

(2) Callable portion comprised of senior bank debt (\$900 million) and senior retail notes (\$200 million).

(3) Defined as total debt with 80% equity credit given to junior capital; divided by LTM EBITDA adjusted for non-cash compensation and New Investments.

AMG's Partnership Structure Generates Strong and Stable Recurring Free Cash Flows

Aligned Incentives

- ▶ Retained equity ownership by Affiliates ensures long-term focus, entrepreneurial culture, unique investment process
- ▶ Permanent structure incents growth, enhances stability

Business Diversity

- ▶ Significant diversity of exposures enhances earnings stability
- ▶ Strategic position in attractive return-oriented strategies
- ▶ 500+ products; nearly half of clients outside the U.S.

Stable Earnings Model

- ▶ Quality and diversity of AMG's boutique asset managers
- ▶ Operating leverage generally remains with Affiliates
- ▶ Outstanding track record of Affiliate growth and investment performance
- ▶ Scale and diversification of asset class exposures mitigates risk to the revenue stream, while alternative products provide performance fee upside

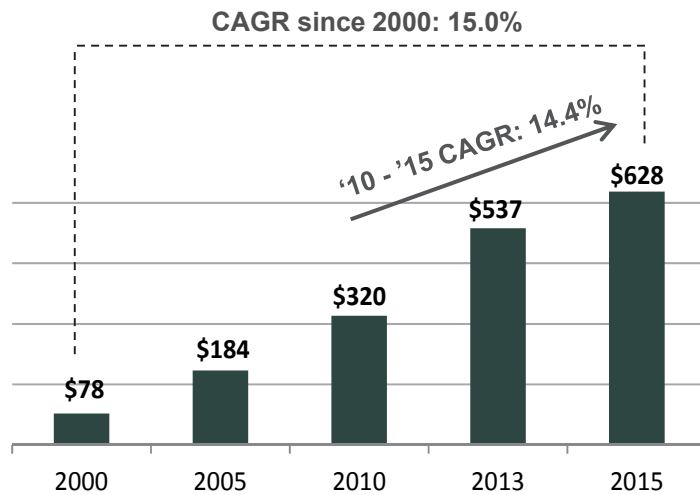
Disciplined Capital Management

- ▶ Repurchase stock or pay down debt, as appropriate
- ▶ Uniquely attractive opportunity to invest in additional high-quality boutique firms

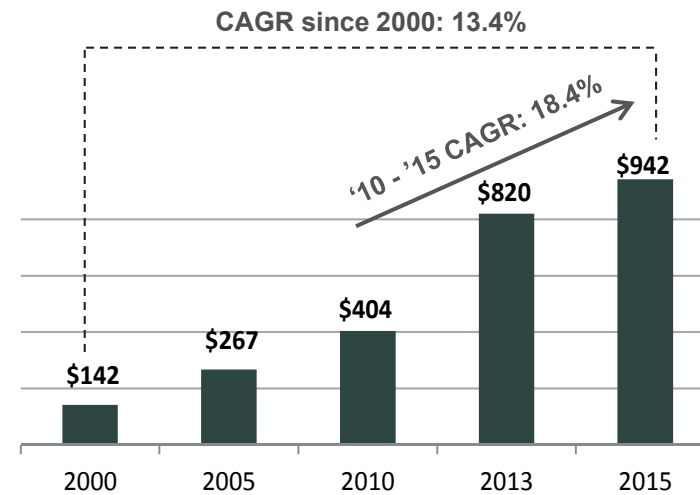
All data shown as of 6/30/16, pro forma for pending investments and investments which have since closed.

Outstanding Earnings Growth Through Excellent Execution

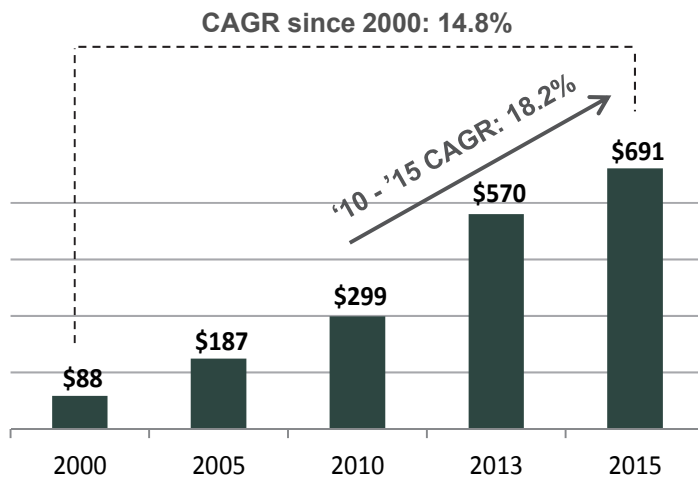
Assets Under Management (\$B)



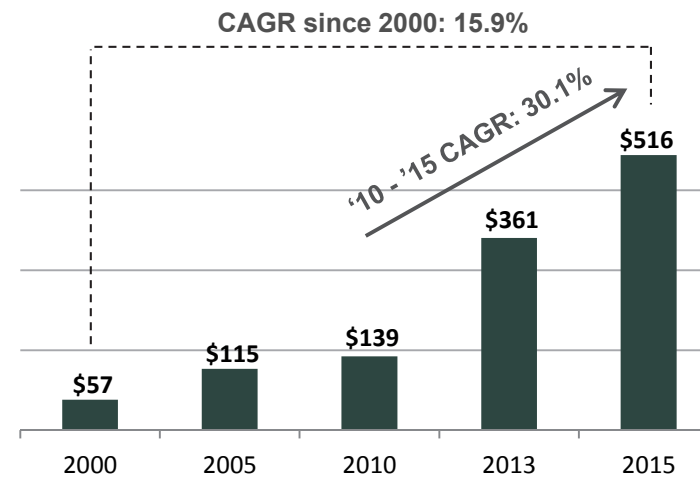
EBITDA (\$MM)



Economic Net Income (\$MM)



GAAP Net Income (\$MM)



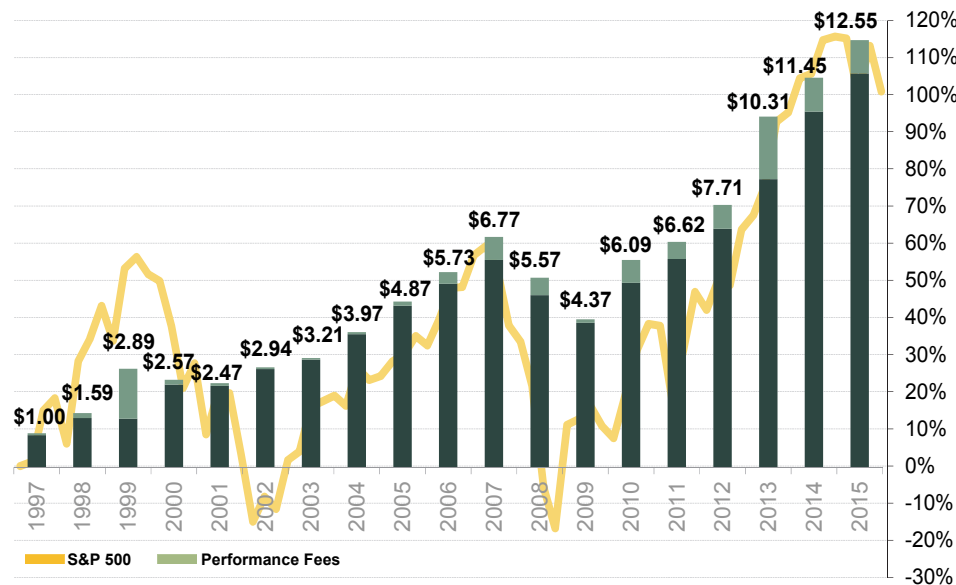
See notes on page 23. Note that a reconciliation of Economic EPS to Net income can be found in AMG's 10-Ks and 10-Qs filed with the Securities and Exchange Commission on Edgar. Reconciliations for the four most recently reported quarters, as well as fiscal years 2013, 2014, and 2015, are provided in the Appendix.

Outstanding Track Record of Earnings Growth and Stability

- ▶ Strong long-term organic growth through investment performance and net client cash flows
- ▶ Diversified revenue stream provides balance to long-term growth and stability in varying markets
- ▶ Investment structure provides stability while retained ownership provides long-term incentive and retention for Affiliate partners
- ▶ Accretive new investments are an additional element of earnings growth
- ▶ Strong, recurring free cash flow and flexible capital structure support growth

Earnings Growth and Stockholder Return

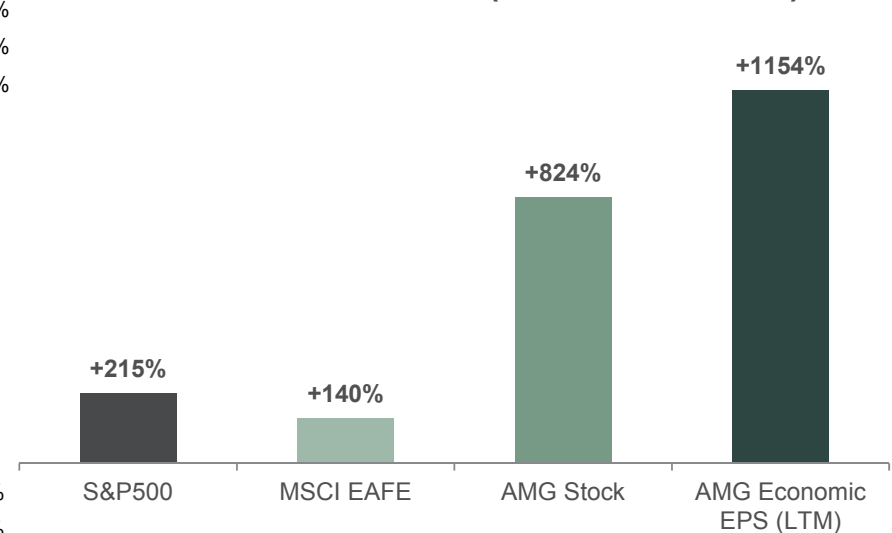
Economic EPS



Market data as of 9/13/16.

See notes on page 23. Note that a reconciliation of Economic EPS to Net income can be found in AMG's 10-Ks and 10-Qs filed with the Securities and Exchange Commission on Edgar. Reconciliations for the four most recently reported quarters, as well as fiscal years 2013, 2014, and 2015, are provided in the Appendix.

Total Return Since IPO (1997 – 2016 YTD)





AMG

Appendix



Consolidated Statements of Income, Years Ending Dec. 31, 2013 – 2015

<i>(in millions, except per share data)</i>	Year Ended 12/31/13	Year Ended 12/31/14	Year Ended 12/31/15
Revenue	\$ 2,188.8	\$ 2,510.9	\$ 2,484.5
Operating expenses:			
Compensation and related expenses	947.5	1,030.5	1,027.7
Selling, general and administrative	427.2	485.5	443.8
Intangible amortization and impairments	128.2	122.2	115.4
Depreciation and other amortization	14.0	16.9	18.8
Other operating expenses	37.8	40.6	43.8
Total operating expenses	1,554.7	1,695.7	1,649.5
Operating income	634.1	815.2	835.0
Income from equity method investments	307.8	281.7	288.9
Other non-operating (income) and expenses:			
Investment and other (income) expense	(40.8)	(23.3)	(15.3)
Interest expense	87.3	76.6	88.9
Imputed interest expense and contingent payment arrangements	31.7	30.1	(40.3)
Total other non-operating (income) and expenses	78.2	83.4	33.3
Income before income taxes	863.7	1,013.5	1,090.6
Income taxes	194.1	227.9	256.9
Net income	669.6	785.6	833.7
Net income (non-controlling interests)	(309.1)	(333.5)	(317.7)
Net income (controlling interest)	\$ 360.5	\$ 452.1	\$ 516.0
Average shares outstanding (basic)	53.1	55.0	54.3
Average shares outstanding (diluted)	56.7	58.4	57.2
Earnings per share (basic)	\$ 6.79	\$ 8.22	\$ 9.49
Earnings per share (diluted)	\$ 6.55	\$ 8.01	\$ 9.28

Consolidated Balance Sheets, Years Ended Dec. 31, 2014 and 2015

<i>(in millions)</i>	Year Ended 12/31/14 (E)	Year Ended 12/31/15 (E)
Assets		
Cash and cash equivalents	\$ 550.6	\$ 563.8
Receivables	425.9	391.2
Investments in marketable securities	172.6	199.9
Other investments	167.2	149.3
Fixed assets, net	95.4	114.1
Goodwill	2,652.8	2,668.4
Acquired client relationships, net	1,778.4	1,686.4
Equity investments in Affiliates	1,783.5	1,937.1
Other assets	71.7	74.6
Total assets	\$ 7,698.1	\$ 7,784.8
Liabilities and Equity		
Payable and accrued liabilities	\$ 808.3	\$ 729.4
Senior bank debt	855.0	645.0
Senior notes	736.8	944.6
Convertible securities	303.1	305.2
Deferred income taxes	491.7	565.7
Other liabilities	214.5	213.3
Total liabilities	3,409.4	3,403.2
Redeemable non-controlling interests	645.5	612.5
Equity:		
Common stock	0.6	0.6
Additional paid-in capital	672.2	597.2
Accumulated other comprehensive income (loss)	31.8	(18.1)
Retained earnings	2,163.3	2,679.3
	2,867.9	3,259.0
Less: Treasury stock, at cost	(240.9)	(421.9)
Total stockholders' equity	2,627.0	2,837.1
Non-controlling interests	1,016.2	932.0
Total equity	3,643.2	3,769.1
Total liabilities and equity	\$ 7,698.1	\$ 7,784.8

Consolidated Statements of Cash Flows, Years Ending Dec. 31, 2013 – 2015

<i>(in millions)</i>	Year Ended 12/31/13	Year Ended 12/31/14	Year Ended 12/31/15
Cash flow from (used in) operating activities:			
Net income	\$ 669.6	\$ 785.6	\$ 833.7
Adjustments to reconcile Net income to net cash flow from operating activities:			
Intangible amortization and impairments	128.2	122.2	115.4
Depreciation and other amortization	14.0	16.9	18.8
Deferred income tax provision	27.7	62.8	94.7
Imputed interest expense and contingent payment arrangements	31.7	30.1	(40.3)
Income from equity method investments, net of amortization	(307.8)	(281.7)	(288.9)
Distributions received from equity method investments	226.6	366.9	346.1
Amortization of issuance costs	9.6	7.6	8.1
Share-based compensation and Affiliate equity expense	84.1	113.7	102.7
Other non-cash items	10.4	3.8	(5.8)
Changes in assets and liabilities:			
(Increase) decrease in receivables	(101.8)	26.5	56.1
(Increase) decrease in other assets	(12.8)	(7.1)	6.2
Increase (decrease) in payables, accrued liabilities and other liabilities	177.6	144.9	(42.0)
Cash flow from operating activities	957.1	1,392.2	1,204.8
Cash flow from (used in) investing activities:			
Investments in Affiliates	(26.3)	(1,245.0)	(297.7)
Purchase of fixed assets	(24.0)	(19.2)	(38.2)
Purchase of investment securities	(11.4)	(21.2)	(13.5)
Sale of investment securities	11.4	17.3	24.9
Cash flow used in investing activities	(50.3)	(1,268.1)	(324.5)
Cash flow from (used in) financing activities:			
Borrowings of senior debt	760.0	1,746.5	1,253.3
Repayments of senior debt and convertible securities	(1,201.3)	(1,020.6)	(1,256.0)
Issuance of common stock	48.2	41.4	57.8
Repurchase of common stock	(15.7)	(190.8)	(413.7)
Note and contingent payments	(41.0)	14.4	20.5
Distributions to non-controlling interests	(267.1)	(569.4)	(431.4)
Affiliate equity issuances and repurchases	(118.1)	(65.7)	(120.6)
Excess tax benefit from share-based compensation	17.3	61.5	44.5
Settlement of forward equity sale agreement	(44.0)	(45.0)	0.1
Other financing items	(7.4)	(5.2)	(8.6)
Cash flow used in financing activities	(869.1)	(32.9)	(854.1)
Effect of foreign exchange rate changes on cash and cash equivalents	1.5	(10.2)	(13.0)
Net increase (decrease) in cash and cash equivalents	39.2	81.0	13.2
Cash and cash equivalents at beginning of period	430.4	469.6	550.6
Cash and cash equivalents at end of period	\$ 469.6	\$ 550.6	\$ 563.8

Reconciliation of Performance Measures (Yearly)

	Year Ended 12/31/13	Year Ended 12/31/14	Year Ended 12/31/15
<i>(in millions, except per share data)</i>			
Net income (controlling interest)	\$ 360.5	\$ 452.1	\$ 516.0
Intangible amortization and impairments	148.9	121.0	118.4
Intangible-related deferred taxes	38.1	47.8	77.7
Other economic items (D)	22.6	23.5	(20.9)
Economic net income (controlling interest) (A)	\$ 570.1	\$ 644.4	\$ 691.2
Net income (controlling interest)	\$ 360.5	\$ 452.1	\$ 516.0
Interest expense	87.3	76.6	88.9
Imputed interest and contingent payment arrangements (D)	31.7	30.1	(40.3)
Income taxes	185.0	213.4	251.3
Depreciation and other amortization	6.5	7.6	7.9
Intangible amortization and impairments	148.9	121.0	118.4
EBITDA (controlling interest) (B)	\$ 819.9	\$ 900.8	\$ 942.2
	Year Ended 12/31/13	Year Ended 12/31/14	Year Ended 12/31/15
Average shares outstanding (diluted)	56.7	58.4	57.2
Assumed issuance of junior convertible securities shares	(2.0)	(2.2)	(2.2)
Dilutive impact of junior convertible securities shares	0.2	0.1	0.1
Average shares outstanding (adjusted diluted) (C)	55.3	56.3	55.1
Economic earnings per share (C)	\$ 10.31	\$ 11.45	\$ 12.55

Reconciliation of Performance Measures (Quarterly)

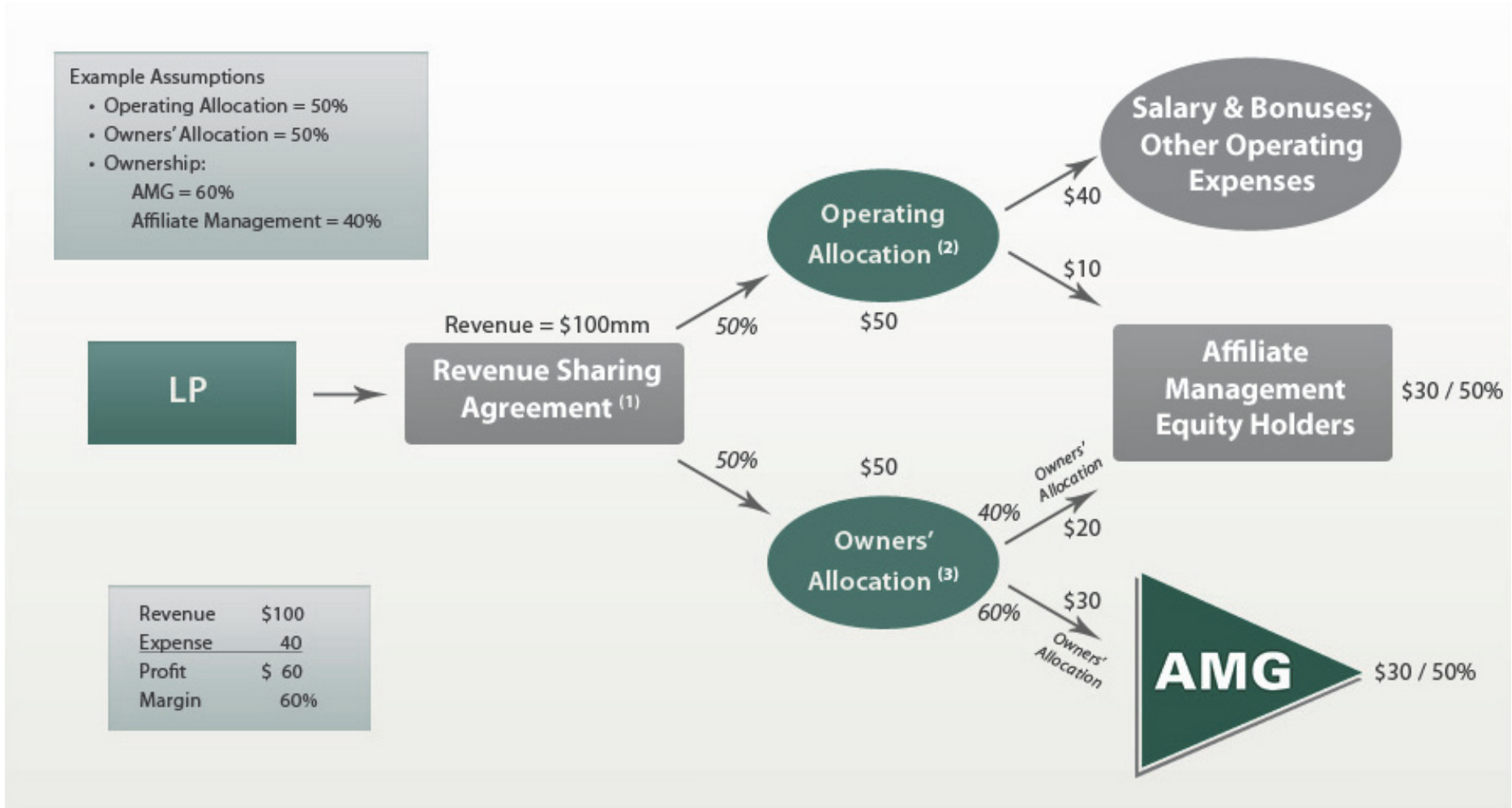
	Three Months Ended 9/30/15	Three Months Ended 12/31/15	Three Months Ended 3/31/16	Three Months Ended 6/30/16
<i>(in millions, except per share data)</i>				
Net income (controlling interest)	\$ 109.0	\$ 150.3	\$ 104.5	\$ 107.4
Intangible amortization and impairments	29.9	28.6	34.4	37.0
Intangible-related deferred taxes	21.1	15.5	22.1	21.3
Other economic items (D)	0.8	2.6	(1.1)	0.7
Economic net income (controlling interest) (A)	\$ 160.8	\$ 197.0	\$ 159.9	\$ 166.5
Net income (controlling interest)	\$ 109.0	\$ 150.3	\$ 104.5	\$ 107.4
Interest expense	23.6	20.6	22.3	21.9
Imputed interest and contingent payment arrangements (D)	0.3	(0.2)	(2.0)	0.8
Income taxes	54.2	61.7	54.6	51.2
Depreciation and other amortization	1.9	2.1	1.9	2.0
Intangible amortization and impairments	29.9	28.6	34.4	37.0
EBITDA (controlling interest) (B)	\$ 218.9	\$ 263.1	\$ 215.7	\$ 220.3
	Three Months Ended 9/30/15	Three Months Ended 12/31/15	Three Months Ended 3/31/16	Three Months Ended 6/30/16
Average shares outstanding (diluted)	57.0	56.7	56.5	56.5
Assumed issuance of junior convertible securities shares	(2.2)	(2.2)	(2.2)	(2.2)
Dilutive impact of junior convertible securities shares	-	-	-	-
Average shares outstanding (adjusted diluted) (C)	54.8	54.5	54.3	54.3
Economic earnings per share (C)	\$ 2.93	\$ 3.61	\$ 2.94	\$ 3.06

AMG Affiliates: Total AUM of Approximately \$700 billion



AUM as of 6/30/16, pro forma for pending investments and investments which have since closed.

Affiliate Investment Model Limits Exposure to Operating Leverage



(1) Operating agreement provides operating autonomy to management partners, as well as allocates a fixed percentage of each year's revenues into two segments, the Operating Allocation and the Owners' Allocation.

(2) The Operating Allocation is allocated to cover all operating expenses of the firm and is spent completely at the discretion of management of the Affiliate.

(3) The Owners' Allocation is allocated to all partners of the firm (management and AMG) according to percentage ownership interest in the firm.

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,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, the ability to close pending investments, the investment performance and growth rates of our Affiliates and their ability to effectively market their investment strategies, the mix of Affiliate contributions to our earnings and other risks, uncertainties and assumptions, including those detailed from time to time in our filings with the Securities and Exchange Commission. Reference is hereby made to the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. 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. We routinely post financial and other important information on our website, including reconciliations for the most recent reporting periods of any non-GAAP financial measures to those calculated and presented in accordance with GAAP.

Reconciliation of Performance Measures: Notes

(A) 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 operating performance before our share of non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income (controlling interest) or any other GAAP measure of financial performance or liquidity.

We add back intangible amortization and impairments attributable to acquired client relationships 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 generally 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.

(B) EBITDA (controlling interest) represents our performance before our share of interest expense, income taxes, depreciation and amortization. We believe that many investors use this information when comparing the financial performance of companies in the investment management industry. EBITDA (controlling interest), as calculated by us, may not be consistent with computations of EBITDA by other companies. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income (controlling interest) or any other GAAP measure of financial performance or liquidity.

(C) 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. Economic earnings per share is provided in addition to, but not as a substitute for, Earnings per share (diluted) or any other GAAP measure of financial performance.

(D) For the three months ended June 30, 2015 and 2016, Other economic items are net of income taxes of \$4.9 million and \$0.4 million, respectively.

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.