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DELTA REPORT

10-Q

AC - ASSOCIATED CAPITAL GROUP,

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	514
CHANGES	163
DELETIONS	192
ADDITIONS	159

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended June 30, 2023 September 30, 2023
Or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______
Commission file number 001-37387

ASSOCIATED CAPITAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	47-3965991
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
191 Mason Street, Greenwich, CT	06830
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (203) 629-9595
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value $0.001 per share	AC	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2) Yes ☐ No ☐.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of the latest practical date.

Class	Outstanding at August 2, 2023 November 1, 2023
Class A Common Stock, .001 par value	2,726,107 2,640,672
Class B Common Stock, .001 par value	18,962,754 18,950,571

As of August 2, 2023 November 1, 2023, 2,726,107 2,640,672 shares of class A common stock and 18,962,754 18,950,571 shares of class B common stock were outstanding. GGCP, Inc., a private company controlled by the Company's Executive Chairman, held 77,165 shares of class A common stock and indirectly held 18,423,741 shares of class B common stock. Other executive officers and directors of GGCP, Inc. held 29,866 and 176,758 shares of class A and class B common stock, respectively. In addition, there are 307,910 251,350 Phantom Restricted Stock Awards outstanding as of June 30, 2023 September 30, 2023.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

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* Items other than those listed above have been omitted because they are not applicable.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

UNAUDITED

(Dollars in thousands, except per share data)

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
ASSETS				
Cash and cash equivalents (includes U.S. Treasury Bills with maturities of less than 3 months)	$ 381,387	$ 218,462	$ 381,253	$ 218,462
Investments in U.S. Treasury Bills with greater than 3 month maturities	995	186,001	2,961	186,001
Investments in equity securities (includes GAMCO stock with a fair value of $46.1 million and $36.7 million, respectively)	214,270	195,585		
Investments in equity securities (includes GAMCO stock with a fair value of $48.0 million and $36.7 million, respectively)			213,345	195,585
Investments in affiliated registered investment companies	128,322	126,210	125,292	126,210
Investments in partnerships	149,080	150,498	142,874	150,498
Receivable from brokers	28,767	12,072	16,295	12,072
Receivable from brokers (cash held for real estate purchase)			13,059	-
Investment advisory fees receivable	1,290	3,807	1,271	3,807
Receivable from affiliates	271	2,517	345	2,517
Income taxes receivable, including deferred tax assets, net	7,510	10,320	7,879	10,320
Goodwill	3,519	3,519	3,519	3,519
Other assets	18,102	18,699	18,364	18,699
Total assets	$ 933,513	$ 927,690	$ 926,457	$ 927,690
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY				
Payable to brokers	$ 9,917	$ 7,784	$ 5,618	$ 7,784
Compensation payable	11,005	13,936	10,915	13,936
Securities sold, not yet purchased	3,927	2,874	5,090	2,874
Accrued expenses and other liabilities	2,011	2,707	1,965	2,707
Total liabilities	26,860	27,301	23,588	27,301
Redeemable noncontrolling interests	7,086	10,193	7,133	10,193
Commitments and contingencies (Note 10)				
Equity:				
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-	-	-

Class A Common Stock, $0.001 par value; 100,000,000 shares authorized; 6,629,254 shares issued; 2,763,364 and 3,027,541 shares outstanding, respectively	6	6		
Class B Common Stock, $0.001 par value; 100,000,000 shares authorized; 19,196,792 shares issued; 18,962,754 outstanding	19	19		
Class A Common Stock, $0.001 par value; 100,000,000 shares authorized; 6,629,254 shares issued; 2,672,378 and 3,027,541 shares outstanding, respectively			6	6
Class B Common Stock, $0.001 par value; 100,000,000 shares authorized; 19,196,792 shares issued; 18,950,571 and 18,962,754 outstanding, respectively			19	19
Additional paid-in capital	999,047	999,047	999,047	999,047
Retained earnings	34,063	15,126	34,047	15,126
Treasury stock, at cost (3,866,054 and 3,601,877 shares, respectively)	(133,568)	(124,002)		
Treasury stock, at cost (3,969,223 and 3,601,877 shares, respectively)			(137,383)	(124,002)
Total Associated Capital Group, Inc. equity	899,567	890,196	895,736	890,196
Total liabilities and equity	$ 933,513	$ 927,690	$ 926,457	$ 927,690

As of June 30, 2023 September 30, 2023 and December 31, 2022, certain balances include amounts related to consolidated variable interest entities ("VIEs") and voting interest entities ("VOEs"). See Note 4.

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

UNAUDITED

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues								
Investment advisory and incentive fees	$ 2,280	$ 2,451	$ 4,691	$ 4,937	$ 2,098	$ 2,472	$ 6,789	$ 7,409
Other revenues	102	95	156	191	102	90	258	281
Total revenues	2,382	2,546	4,847	5,128	2,200	2,562	7,047	7,690
Expenses								
Compensation	3,789	3,007	7,359	6,940	4,078	3,591	11,437	10,531
Management fee	544	-	3,087	-	(12)	-	3,075	-
Other operating expenses	1,520	1,750	3,005	3,705	1,655	2,100	4,660	5,805
Total expenses	5,853	4,757	13,451	10,645	5,721	5,691	19,172	16,336
Operating loss	(3,471)	(2,211)	(8,604)	(5,517)	(3,521)	(3,129)	(12,125)	(8,646)
Other income/(expense)								
Net gain/(loss) from investments	3,297	(37,803)	23,808	(53,413)	(2,173)	(19,314)	21,635	(72,727)
Interest and dividend income	5,968	1,932	11,161	2,736	6,336	2,797	17,497	5,533
Interest expense	(156)	(46)	(254)	(79)	(134)	(66)	(388)	(145)
Shareholder-designated contribution	(498)	-	(1,369)	(208)	(235)	(1,206)	(1,604)	(1,414)
Total other income/(expense), net	8,611	(35,917)	33,346	(50,964)	3,794	(17,789)	37,140	(68,753)
Income/(loss) before income taxes	5,140	(38,128)	24,742	(56,481)	273	(20,918)	25,015	(77,399)
Income tax expense/(benefit)	1,840	(8,036)	3,420	(12,884)	166	(4,914)	3,586	(17,798)
Income/(loss) before noncontrolling interests	3,300	(30,092)	21,322	(43,597)	107	(16,004)	21,429	(59,601)

Income/(loss) attributable to noncontrolling interests	(71)	(205)	197	2,476				
Income attributable to noncontrolling interests					123	494	320	2,970
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	$ 3,371	$ (29,887)	$ 21,125	$ (46,073)	$ (16)	$ (16,498)	$ 21,109	$ (62,571)
Net income/(loss) per share attributable to Associated Capital Group, Inc.'s shareholders:								
Basic	$ 0.15	$ (1.36)	$ 0.96	$ (2.09)	$ 0.00	$ (0.75)	$ 0.97	$ (2.84)
Diluted	$ 0.15	$ (1.36)	$ 0.96	$ (2.09)	$ 0.00	$ (0.75)	$ 0.97	$ (2.84)
Weighted average shares outstanding (in thousands):								
Basic	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033
Diluted	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033
Actual shares outstanding (in thousands)	21,726	22,015	21,726	22,015	21,623	22,004	21,623	22,004

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

UNAUDITED

(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net income/(loss) before noncontrolling interests	$ 3,300	$ (30,092)	$ 21,322	$ (43,597)	$ 107	$ (16,004)	$ 21,429	$ (59,601)
Less: Comprehensive income/(loss) attributable to noncontrolling interests	(71)	(205)	197	2,476				
Less: Comprehensive income attributable to noncontrolling interests					123	494	320	2,970
Comprehensive income/(loss) attributable to Associated Capital Group, Inc.	$ 3,371	$ (29,887)	$ 21,125	$ (46,073)	$ (16)	$ (16,498)	$ 21,109	$ (62,571)

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

UNAUDITED

(Dollars in thousands)

For the three months ended March 31, 2023, June 30, 2023 and three months ended June 30, 2023 September 30, 2023

	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2022	$ 25	$ 15,126	$ 999,047	$ (124,002)	$ 890,196	$ 10,193	$ 25	$ 15,126	$ 999,047	$ (124,002)	$ 890,196	$ 10,193
Redemptions of noncontrolling interests	-	-	-	-	-	(3,228)	-	-	-	-	-	(3,228)
Net income/(loss)	-	17,754	-	-	17,754	268						
Net income							-	17,754	-	-	17,754	268
Purchases of treasury stock	-	-	-	(1,949)	(1,949)	-	-	-	-	(1,949)	(1,949)	-
Balance at March 31, 2023	$ 25	$ 32,880	$ 999,047	$ (125,951)	$ 906,001	$ 7,233	$ 25	$ 32,880	$ 999,047	$ (125,951)	$ 906,001	$ 7,233
Redemptions of noncontrolling interests	-	-	-	-	-	(76)	-	-	-	-	-	(76)
Net income/(loss)	-	3,371	-	-	3,371	(71)	-	3,371	-	-	3,371	(71)
Dividends declared ($0.10 per share)	-	(2,188)	-	-	(2,188)	-	-	(2,188)	-	-	(2,188)	-
Purchase of treasury stock	-	-	-	(7,617)	(7,617)	-						
Purchases of treasury stock							-	-	-	(7,617)	(7,617)	-
Balance at June 30, 2023	$ 25	$ 34,063	$ 999,047	$ (133,568)	$ 899,567	$ 7,086	$ 25	$ 34,063	$ 999,047	$ (133,568)	$ 899,567	$ 7,086
Redemptions of noncontrolling interests							-	-	-	-	-	(76)
Net income/(loss)							-	(16)	-	-	(16)	123
Purchases of treasury stock							-	-	-	(3,815)	(3,815)	-
Balance at September 30, 2023							$ 25	$ 34,047	$ 999,047	$ (137,383)	$ 895,736	$ 7,133

See accompanying notes.

For the three months ended March 31, 2022, June 30, 2022 and three months ended June 30, 2022 September 30, 2022

	Associated Capital Group, Inc. shareholders								Associated Capital Group, Inc. shareholde				
	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	
Balance at December 31, 2021	$ 25	$ 68,435	$ 990,069	$ (121,427)	$ 937,102	$ (1,756)	$ 935,346	$ 202,456	$ 25	$ 68,435	$ 990,069	$ (121,427)	$

Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(486)	-	-	-	-	
Net income/(loss)	-	(16,186)	-	-	(16,186)	197	(15,989)	2,484	-	(16,186)	-	-	
Purchases of treasury stock	-	-	-	(293)	(293)	-	(293)	-	-	-	-	(293)	
Accretion of redeemable noncontrolling interest	-	-	(584)	-	(584)	(292)	(876)	876	-	-	(584)	-	
Other changes to redeemable noncontrolling interests	-	-	-	-	-	-	-	(10)	-	-	-	-	
Balance at March 31, 2022	$ 25	$ 52,249	$ 989,485	$ (121,720)	$ 920,039	$ (1,851)	$ 918,188	$ 205,320	$ 25	$ 52,249	$ 989,485	$ (121,720)	$
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(486)	-	-	-	-	
Net income/(loss)	-	(29,887)	-	-	(29,887)	83	(29,804)	(288)	-	(29,887)	-	-	
Dividends declared ($0.10 per share)	-	(2,203)	-	-	(2,203)	-	(2,203)	-	-	(2,203)	-	-	
Purchases of treasury stock	-	-	-	(1,317)	(1,317)	-	(1,317)	-	-	-	-	(1,317)	
Accretion of redeemable noncontrolling interest	-	-	662	-	662	331	993	(993)	-	-	662	-	
Other changes to redeemable noncontrolling interests	-	-	-	-	-	-	-	(226)	-	-	-	-	
Balance at June 30, 2022	$ 25	$ 20,159	$ 990,147	$ (123,037)	$ 887,294	$ (1,437)	$ 885,857	$ 203,327	$ 25	$ 20,159	$ 990,147	$ (123,037)	$
Redemptions of noncontrolling interests									-	-	-	-	
Net income/(loss)									-	(16,498)	-	-	
Purchases of treasury stock									-	-	-	(441)	
Accretion of redeemable noncontrolling interest									-	-	8,900	-	
Effect of deconsolidation									-	-	-	-	
Other changes to redeemable noncontrolling interests									-	-	-	-	
Balance at September 30, 2022									$ 25	$ 3,661	$ 999,047	$ (123,478)	$

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED

(Dollars in thousands)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating activities				
Net income/(loss)	$ 21,322	$ (43,597)	$ 21,429	$ (59,601)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:				
Equity in net (gains)/losses from partnerships	(1,493)	7,653		
Equity in net losses from partnerships			848	7,710
Depreciation and amortization	180	161	270	251
Deferred income taxes	772	(12,986)	(246)	(17,959)
Donated securities	966	127	1,107	517
Unrealized (gains)/losses on securities	(18,022)	53,057	(15,703)	73,569
Loss on deconsolidation of subsidiary			-	3,634
Realized gains on sales of securities	(1,757)	(7,702)	(4,108)	(11,684)
(Increase)/decrease in assets:				
Investments in trading securities	183,400	14,764	184,788	(89,282)
Investments in partnerships:				
Contributions to partnerships	(2,390)	(4,910)	(2,390)	(6,410)
Distributions from partnerships	5,300	5,143	9,166	5,143
Receivable from affiliates	2,246	9,992	2,172	4,893
Receivable from brokers	(14,599)	16,481	(1,877)	19,428
Investment advisory fees receivable	2,517	6,945	2,536	6,976
Income taxes receivable	2,038	(1,728)	2,644	(1,746)
Other assets	417	332	65	2,770
Increase/(decrease) in liabilities:				
Payable to brokers	2,133	2,768	(2,166)	47,017
Income taxes payable	-	(2,040)	43	(2,040)
Compensation payable	(2,931)	(13,789)	(3,021)	(12,068)
Accrued expenses and other liabilities	(696)	(1,399)	(742)	(1,676)
Total adjustments	158,081	72,869	173,386	29,043
Net cash provided by operating activities	179,403	29,272		
Net cash provided by/(used in) operating activities			194,815	(30,558)
Investing activities				
Purchases of securities	(1,110)	(4,261)	(1,162)	(5,882)
Proceeds from sales of securities	777	106	2,245	620
Return of capital on securities	1,009	1,290	1,247	1,918
Net cash provided by/(used in) investing activities	$ 676	$ (2,865)		
Deconsolidation of subsidiary cash			-	(1,471)
Proceeds from maturities of debt securities held to maturity			-	5,066

Net provided by investing activities	$ 2,330	$ 251

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED (continued)

(Dollars in thousands)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Financing activities				
Dividends paid	$ (2,188)	$ (2,203)	$ (2,188)	$ (2,203)
Purchases of treasury stock	(9,566)	(1,610)	(13,381)	(2,051)
Redemptions of redeemable noncontrolling interests	(3,304)	(1,197)	(3,380)	(1,196)
Net cash used in financing activities	(15,058)	(5,010)	(18,949)	(5,450)
Net increase in cash, cash equivalents and restricted cash	165,021	21,397	178,196	(35,757)
Cash, cash equivalents and restricted cash at beginning of period	221,269	328,594	221,269	328,594
Cash, cash equivalents and restricted cash at end of period	$ 386,290	$ 349,991	$ 399,465	$ 292,837
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 156	$ 79	$ 134	$ 145
Cash paid for taxes	$ 591	$ 3,869	$ 849	$ 3,947
Reconciliation of Cash, cash equivalents and restricted cash at end of period:				
Cash and cash equivalents	$ 381,387	$ 344,258	$ 381,253	$ 288,178
Restricted cash included in receivable from broker	4,903	5,733		
Cash held for real estate purchase included in receivable from brokers			13,059	-
Restricted cash included in receivable from brokers			5,153	4,659
Cash, cash equivalents and restricted cash	$ 386,290	$ 349,991	$ 399,465	$ 292,837

Non-cash activity:

- For 2022, the Company deconsolidated certain subsidiaries which resulted in a reduction of $176.9 million of assets, $7.4 million of liabilities and $165.0 million of Redeemable noncontrolling interests. The deconsolidated assets are almost entirely attributable to $175.4 million of Investments in marketable securities held in trust and $1.5 million of cash held by Consolidated PMV (as defined in Note 1), the latter of which is reflected as an Investing outflow. The deconsolidated liabilities are almost entirely attributable to $6.1 million Deferred underwriting fee payable, and $0.9 million of PMV warrant liability. As a result of deconsolidation, $9.9 million of Investments in securities and $1.0 million of Investment partnerships, which were previously eliminated in consolidation, were recognized in the condensed consolidated statement of financial condition as of September 30, 2022.
- For 2022, $29.0 million of redeemable noncontrolling interest holders tendered their shares in our consolidated VOE prior to September 30, 2022. The cash payment for this tender occurred in October 2022.

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June September 30, 2023

(UNAUDITED)

1. Organization

Unless we have indicated otherwise, or the context otherwise requires, references in this report to “Associated Capital Group, Inc.”, "Associated Capital", “AC Group”, “the Company”, “AC”, “we”, “us” and “our” or similar terms are to Associated Capital Group, Inc., its predecessors and its subsidiaries.

We are a Delaware corporation that provides alternative investment management, and we derive investment income/(loss) from proprietary investment of cash and other assets in our operating business.

Gabelli & Company Investment Advisors, Inc. (“GCIA”), a wholly-owned subsidiary of AC, and its wholly-owned subsidiary, Gabelli & Partners, LLC (“Gabelli & Partners”), collectively serve as general partners or investment managers to investment funds including limited partnerships and offshore companies (collectively, “Investment Partnerships”), and separate accounts. We primarily manage assets across a range of risk and event arbitrage portfolios and in equity event-driven value strategies. The businesses earn management and incentive fees from their advisory activities. Management fees are largely based on a percentage of assets under management. Incentive fees are based on the percentage of the investment returns of certain clients’ portfolios. GCIA is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

PMV Consumer Acquisition Corp.

PMV Consumer Acquisition Corp. ("PMV"), a special purpose acquisition corporation, and its sponsor, PMV Consumer Acquisition Holding Company, LLC (“Sponsor”, collectively "Consolidated PMV") were previously consolidated in the financial statements of AC because AC had a controlling financial interest in these entities. entities through AC's 100% ownership of the manager of the Sponsor. Commencing in August 2022, as a result of management and organization restructuring negotiations at the Sponsor to extend the life of PMV, ACno longer controlled the manager of the Sponsor and thus no longer controlled Consolidated PMV. As a result, Consolidated PMV was deconsolidated from the financial statements in August 2022.

AC Spin-off

On November 30, 2015, GAMCO Investors, Inc. (“GAMCO” or “GAMI”) distributed all the outstanding shares of each class of AC common stock on a pro rata one-for-one basis to the holders of each class of GAMCO’s common stock (the “Spin-off”).

As part of the Spin-off, AC received 4,393,055 shares of GAMCO Class A common stock for $150 million. The Company held 2,405,3702,397,974 shares as of June September 30, 2023 and 2,407,000 shares as of December 31, 2022.

Basis of Presentation

The unaudited interim condensed consolidated financial statements of AC Group included herein have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP in the United States for complete financial statements. The unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial position, results of operations and cash flows of the Company for the interim periods presented and are not necessarily indicative of a full year’s results.

The interim condensed consolidated financial statements include the accounts of AC Group and its subsidiaries. All material intercompany transactions and balances have been eliminated. The details on the impact of consolidating certain partnership entities on the condensed consolidated financial statements can be seen in Note 4. Investment Partnerships and Other Entities.

These interim condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Developments

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments - Credit Losses (Topic 326) ("ASU 2016-13"), which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Currently, U.S. GAAP requires an "incurred loss" methodology that delays recognition until it is probable a loss has been incurred. Under ASU 2016-13, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The condensed consolidated statements of income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. In November 2019, the FASB issued ASU 2019-10, which deferred the effective date of this guidance for smaller reporting companies for three years. This guidance is effective for the Company on January 1, 2023. We adopted this standard on January 1, 2023 and the adoption of this standard did not have a material impact on our financial condition or results of operations.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other, to simplify the process used to test for impairment of goodwill. Under the new standard, an impairment loss must be recognized in an amount equal to the excess of the carrying amount of a reporting unit over its fair value, limited to the total amount of goodwill allocated to that reporting unit. As a smaller reporting company pursuant to ASU 2019-10, the ASU is effective for the Company on January 1, 2023. We adopted this standard on January 1, 2023 and the adoption of this standard did not have a material impact on our financial condition or results of operations.

2. Revenue

Refer to the Company's audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 for the Company's revenue recognition policy.

The Company's major revenue sources are as follows for the three and six nine months ended June September 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Investment advisory and incentive fees								
Asset-based advisory fees	$ 1,291	$ 1,309	$ 2,606	$ 2,613	$ 1,265	$ 1,269	$ 3,871	$ 3,882
Performance-based advisory fees	-	-	1	44	1	2	2	46
Sub-advisory fees	989	1,142	2,084	2,280	832	1,201	2,916	3,481
Sub-total	2,280	2,451	4,691	4,937	2,098	2,472	6,789	7,409
Other								
Miscellaneous	102	95	156	191	102	90	258	281
Total	$ 2,382	$ 2,546	$ 4,847	$ 5,128	$ 2,200	$ 2,562	$ 7,047	$ 7,690

3. Investments in Securities

Investments in securities at June September 30, 2023 and December 31, 2022, consisted of the following (in thousands):

	June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Debt - Trading Securities:								
U.S. Treasury Bills	$ 988	$ 995	$ 184,636	$ 186,001	$ 2,961	$ 2,961	$184,636	$186,001

Equity Securities:								
Common stocks	224,085	209,297	221,794	189,977	223,961	208,154	221,794	189,977
Mutual funds	543	1,144	539	906	566	1,055	539	906
Other investments	5,129	3,829	6,364	4,702	5,275	4,136	6,364	4,702
Total investments in equity securities	229,757	214,270	228,697	195,585	229,802	213,345	228,697	195,585
Total investments in securities	$ 230,745	$ 215,265	$ 413,333	$ 381,586	$ 232,763	$216,306	$413,333	$381,586

Securities sold, not yet purchased at June September 30, 2023 and December 31, 2022, consisted of the following (in thousands):

	June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Equity securities:								
Common stocks	$ 3,316	$ 3,556	$ 2,918	$ 2,509	$4,598	$4,796	$2,918	$2,509
Other investments	91	371	499	365	125	294	499	365
Total securities sold, not yet purchased	$ 3,407	$ 3,927	$ 3,417	$ 2,874	$4,723	$5,090	$3,417	$2,874

Investments in affiliated registered investment companies at June September 30, 2023 and December 31, 2022, consisted of the following (in thousands):

	June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Equity securities:								
Closed-end funds	$ 44,358	$ 57,983	$ 45,029	$ 56,772	$42,960	$ 54,558	$45,029	$ 56,772
Mutual funds	50,188	70,339	50,224	69,438	50,052	70,734	50,224	69,438
Total investments in affiliated registered investment companies	$ 94,546	$ 128,322	$ 95,253	$ 126,210	$93,012	$125,292	$95,253	$126,210

4. Investment Partnerships and Other Entities

The Company is general partner or co-general partner of various affiliated entities whose underlying assets consist primarily of marketable securities ("Affiliated Entities"). We also had investments in unaffiliated partnerships, offshore funds and other entities of $37.5 million $32.9 million and $35.8 million at June September 30, 2023, and December 31, 2022, respectively ("Unaffiliated Entities"). We evaluate each entity to determine its appropriate accounting treatment and disclosure. Certain of the Affiliated Entities, and none of the Unaffiliated Entities, are consolidated.

Investments in partnerships that are not required to be consolidated are accounted for using the equity method and are included in investments in partnerships on the condensed consolidated statements of financial condition. The Company had investments in Affiliated Entities totaling $111.6 $109.9 million and $114.7 million at June September 30, 2023 and December 31, 2022, respectively. The Company reflects the equity in earnings of these Affiliated Entities and Unaffiliated Entities as net gain/(loss) from investments on the condensed consolidated statements of income.

Capital may generally be redeemed from Affiliated Entities on a monthly basis upon adequate notice as determined in the sole discretion of each entity's investment manager. Capital invested in Unaffiliated Entities may generally be redeemed at various intervals ranging from monthly to annually upon notice of 30 to 95 days. Certain Unaffiliated Entities and Affiliated Entities may require a minimum investment period before capital can be voluntarily redeemed (a "Lockup Period"). No investment in any Investment Partnership has an unexpired Lockup Period. The Company has no outstanding capital commitments to any Affiliated or Unaffiliated Entity.

PMV Consumer Acquisition Corp.

Commencing in August 2022, as a result of management and organization restructuring negotiations at the Sponsor to extend the life of PMV, AC no longer controlled Consolidated PMV. As a result, Consolidated PMV was deconsolidated from the financial statements. statements and a loss of $3.6 million was recognized and recorded in Net gain/(loss) from investments in the consolidated statements of income. The loss represented the difference between the carrying value and fair value of our remaining interest as of the transaction date. Prior to August 2022, AC consolidated the assets, liabilities and the results of operations of both PMV and Sponsor. AC invested $4.0 million, or approximately 62% of the $6.48 million total Sponsor partnership commitment. The Sponsor was managed primarily by AC executives. AC determined that the Sponsor was a variable interest entity (VIE) and that AC was the primary beneficiary and therefore consolidated the assets and liabilities and results of operations of the Sponsor. In addition, AC had determined that PMV was a VIE due to the lack of equity at risk and was consolidated by the Sponsor, who was deemed to be the primary beneficiary. Neither AC nor PMV had a right to the benefits from nor did it bear the risks associated with the marketable securities held in trust assets held by PMV.

The following table reflects the net impact of the consolidated investment partnerships and other entities ("Consolidated Entities") on the condensed consolidated statements of financial condition (in thousands):

	June 30, 2023			September 30, 2023		
Assets	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Cash and cash equivalents	$ 375,023	$ 6,364	$ 381,387	$ 377,742	$ 3,511	$ 381,253
Investments in U.S. Treasury Bills	-	995	995	-	2,961	2,961
Investments in securities	148,804	65,466	214,270	148,132	65,213	213,345
Investments in affiliated registered investment companies	182,245	(53,923)	128,322	179,571	(54,279)	125,292
Investments in partnerships	167,593	(18,513)	149,080	161,180	(18,306)	142,874
Receivable from brokers (1)	21,636	7,131	28,767	22,309	7,045	29,354
Investment advisory fees receivable	1,299	(9)	1,290	1,281	(10)	1,271
Other assets(1)	26,130	3,272	29,402	27,086	3,021	30,107
Total assets	$ 922,730	$ 10,783	$ 933,513	$ 917,301	$ 9,156	$ 926,457
Liabilities and equity						
Securities sold, not yet purchased	$ 3,602	$ 325	$ 3,927	$ 4,891	$ 199	$ 5,090
Payable to brokers and other liabilities(1)	19,561	3,372	22,933	16,674	1,824	18,498
Redeemable noncontrolling interests	-	7,086	7,086	-	7,133	7,133
Total equity	899,567	-	899,567	895,736	-	895,736
Total liabilities and equity	$ 922,730	$ 10,783	$ 933,513	$ 917,301	$ 9,156	$ 926,457

	December 31, 2022			December 31, 2022		
Assets	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Cash and cash equivalents	$ 209,941	$ 8,521	$ 218,462	$ 209,941	$ 8,521	$ 218,462
Investments in U.S. Treasury Bills	183,528	2,473	186,001	183,528	2,473	186,001
Investments in securities	129,942	65,643	195,585	129,942	65,643	195,585
Investments in affiliated registered investment companies	178,689	(52,479)	126,210	178,689	(52,479)	126,210
Investments in partnerships	168,286	(17,788)	150,498	168,286	(17,788)	150,498
Receivable from brokers (1)	4,002	8,070	12,072	4,002	8,070	12,072
Investment advisory fees receivable	3,814	(7)	3,807	3,814	(7)	3,807
Other assets(1)	35,045	10	35,055	35,045	10	35,055
Total assets	$ 913,247	$ 14,443	$ 927,690	$ 913,247	$ 14,443	$ 927,690

Liabilities and equity						
Securities sold, not yet purchased	$ 2,678	$ 196	$ 2,874	$ 2,678	$ 196	$ 2,874
Payable to brokers and other liabilities(1)	20,373	4,054	24,427	20,373	4,054	24,427
Redeemable noncontrolling interests	-	10,193	10,193	-	10,193	10,193
Total equity	890,196	-	890,196	890,196	-	890,196
Total liabilities and equity	$ 913,247	$ 14,443	$ 927,690	$ 913,247	$ 14,443	$ 927,690

(1) Represents the summation of multiple captions from the condensed consolidated statements of financial condition.

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The following table reflects the net impact of the consolidated entities on the condensed consolidated statements of income (in thousands):

	Three Months Ended June 30, 2023			Three Months Ended September 30, 2023		
	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 2,489	$ (107)	$ 2,382	$ 2,310	$ (110)	$ 2,200
Operating loss	(3,107)	(364)	(3,471)	(3,156)	(365)	(3,521)
Total other income/(loss), net	8,003	608	8,611	3,044	750	3,794
Income/(loss) before noncontrolling interests	3,371	(71)	3,300	(16)	123	107
Income/(loss) attributable to noncontrolling interests, net of taxes	-	(71)	(71)			
Income attributable to noncontrolling interests, net of taxes				-	123	123
Net income/(loss)	$ 3,371	$ -	$ 3,371	$ (16)	$ -	$ (16)

	Three Months Ended June 30, 2022			Three Months Ended September 30, 2022		
	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 2,734	$ (188)	$ 2,546	$ 2,723	$ (161)	$ 2,562
Operating loss	(1,462)	(749)	(2,211)	(2,359)	(770)	(3,129)
Total other income/(loss), net	(36,461)	544	(35,917)	(19,053)	1,264	(17,789)
Income/(loss) before noncontrolling interests	(29,887)	(205)	(30,092)	(16,498)	494	(16,004)
Income/(loss) attributable to noncontrolling interests, net of taxes	-	(205)	(205)			
Income attributable to noncontrolling interests, net of taxes				-	494	494
Net income/(loss)	$ (29,887)	$ -	$ (29,887)	$ (16,498)	$ -	$ (16,498)

	Six Months Ended June 30, 2023			Nine Months Ended September 30, 2023		
	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 5,067	$ (220)	$ 4,847	$ 7,378	$ (331)	$ 7,047

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Operating loss	(7,843)	(761)	(8,604)	(10,998)	(1,127)	(12,125)
Total other income/(loss), net	35,625	(2,279)	33,346	38,670	(1,530)	37,140
Income/(loss) before noncontrolling interests	21,125	197	21,322	21,109	320	21,429
Income/(loss) attributable to noncontrolling interests, net of taxes	-	197	197			
Income attributable to noncontrolling interests, net of taxes				-	320	320
Net income/(loss)	$ 21,125	$ -	$ 21,125	$ 21,109	$ -	$ 21,109

	Six Months Ended June 30, 2022			Nine Months Ended September 30, 2022		
	Prior to Consolidation	Consolidated Entities	As Reported	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 5,506	$ (378)	$ 5,128	$ 8,229	$ (539)	$ 7,690
Operating loss	(4,103)	(1,414)	(5,517)	(6,462)	(2,184)	(8,646)
Total other income/(loss), net	(54,854)	3,890	(50,964)	(73,907)	5,154	(68,753)
Income/(loss) before noncontrolling interests	(46,073)	2,476	(43,597)	(62,571)	2,970	(59,601)
Income/(loss) attributable to noncontrolling interests, net of taxes	-	2,476	2,476			
Income attributable to noncontrolling interests, net of taxes				-	2,970	2,970
Net income/(loss)	$ (46,073)	$ -	$ (46,073)	$ (62,571)	$ -	$ (62,571)

Variable Interest Entities Entity

With respect to the consolidated VIE, its assets may only be used to satisfy its obligations. The investors and creditors of any consolidated VIE have no recourse to the Company's general assets. In addition, the Company neither benefits from such VIE's assets nor bears the related risk beyond its beneficial interest in the VIE.

The following table presents the balances related to the VIE that is consolidated and included on the condensed consolidated statements of financial condition as well as the Company's net interest in the VIE (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 482	$ 500	$ 427	$ 500
Investments in securities	8,951	8,396	8,967	8,396
Receivable from brokers	243	304		
Receivable from brokers (1)			20	304
Accrued expenses and other liabilities (1)	(31)	(33)	(34)	(33)
Redeemable noncontrolling interests	(431)	(428)	(434)	(428)
AC Group's net interests in consolidated VIEs	$ 9,214	$ 8,739	$ 8,946	$ 8,739

(1) Represents the summation of multiple captions from the condensed consolidated statements of financial condition.

Voting Interest Entities Entity

We have an investment partnership that is consolidated as a VOE for both 2023 and 2022 because AC has a controlling interest in the entity. This resulted in the consolidation of $73.4 million $72.4 million of assets, $3.9 million $2.2 million of liabilities, and $6.6 million $6.7 million of redeemable noncontrolling interests at June September 30, 2023 and $75.6 million of assets, $4.4 million of liabilities, and $9.8 million of redeemable noncontrolling interests at December 31, 2022. AC's net interest in the consolidated VOE at June September 30, 2023 and December 31, 2022 was $62.9 $63.5 million and $61.4 million, respectively. Approximately $3.2 million of redeemable noncontrolling interests tendered their shares in the entity in 2023.

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Equity Method Investments

The Company's equity method investments include investments in partnerships and offshore funds. These equity method investments are not consolidated but on an aggregate basis exceed 10% of the Company's consolidated total assets or income.

5. Fair Value

Accounting Standards Codification Topic 820, Fair Value Measurement (ASC 820) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

- Level 1 - Unadjusted quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.
- Level 3 - Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Company defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments.

The following tables present assets and liabilities measured at fair value on a recurring basis, unless otherwise noted, as of the dates specified (in thousands):

	June 30, 2023				September 30, 2023			
Assets	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 376,801	$ -	$ -	$ 376,801	$ 378,004	$ -	$ -	$378,004
Investments in securities (including GAMCO stock):								
Trading - U.S. Treasury Bills	995	-	-	995	2,961	-	-	2,961
Common stocks	206,013	1,248	2,036	209,297	204,871	1,248	2,035	208,154
Mutual funds	1,144	-	-	1,144	1,055	-	-	1,055
Other	3,133	477	219	3,829	3,268	649	219	4,136
Total investments in securities	211,285	1,725	2,255	215,265	212,155	1,897	2,254	216,306
Investments in affiliated registered investment companies:								
Closed-end funds	45,747	-	12,236	57,983	43,202	-	11,356	54,558
Mutual funds	70,339	-	-	70,339	70,734	-	-	70,734
Total investments in affiliated registered investment companies	116,086	-	12,236	128,322	113,936	-	11,356	125,292
Total investments held at fair value	327,371	1,725	14,491	343,587	326,091	1,897	13,610	341,598
Total assets at fair value	$ 704,172	$ 1,725	$ 14,491	$ 720,388	$ 704,095	$1,897	$13,610	$719,602
Liabilities								
Common stocks	$ 3,556	$ -	$ -	$ 3,556	$ 4,796	$ -	$ -	$ 4,796
Other	18	353	-	371	58	236	-	294
Securities sold, not yet purchased	3,574	353	-	3,927	4,854	236	-	5,090
Total liabilities at fair value	$ 3,574	$ 353	$ -	$ 3,927	$ 4,854	$ 236	$ -	$ 5,090

	December 31, 2022			
Assets	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 216,313	$ -	$ -	$ 216,313
Investments in securities (including GAMCO stock):				

Trading - U.S. Treasury Bills	186,001	-	-	186,001
Common stocks	185,952	1,990	2,035	189,977
Mutual funds	906	-	-	906
Other	4,132	317	253	4,702
Total investments in securities	376,991	2,307	2,288	381,586
Investments in affiliated registered investment companies:				
Closed-end funds	45,286	-	11,486	56,772
Mutual funds	69,438	-	-	69,438
Total investments in affiliated registered investment companies	114,724	-	11,486	126,210
Total investments held at fair value	491,715	2,307	13,774	507,796
Total assets at fair value	$ 708,028	$ 2,307	$ 13,774	$ 724,109
Liabilities				
Common stocks	$ 2,509	$ -	$ -	$ 2,509
Other	132	233	-	365
Securities sold, not yet purchased	2,641	233	-	2,874
Total liabilities at fair value	$ 2,641	$ 233	$ -	$ 2,874

The following table presents additional information about assets measured at fair value on a recurring basis and for which the Company has utilized Level 3 inputs to determine fair value:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Assets:	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Beginning balance	$ 14,741	$ 12,720	$ 13,774	$ 10,600	$ 14,491	$ 12,731	$ 13,774	$ 10,600
Total gains/(losses)	-	20	(33)	70	(1)	-	(34)	70
Purchases	-	-	1,000	2,400	-	1,500	1,000	3,900
Sales/return of capital	(250)	(9)	(250)	(339)	(880)	(414)	(1,130)	(753)
Ending balance	$ 14,491	$ 12,731	$ 14,491	$ 12,731	$ 13,610	$ 13,817	$ 13,610	$ 13,817
Changes in net unrealized gain/(loss) included in Net gain/(loss) from investments related to level 3 assets still held as of the reporting date	$ -	$ 20	$ (33)	$ 70	$ (1)	$ -	$ (34)	$ 70

Total realized and unrealized gains and losses for Level 3 assets are reported in net gain/(loss) from investments in the condensed consolidated statements of income.

During the three and six nine months ended June September 30, 2023 and 2022, there were no transfers into or out of Level 3.

6. Income Taxes

The effective tax rate ("ETR") for the six nine months ended June September 30, 2023 and June September 30, 2022 was 13.8% 14.3% and 22.8% 23.0%, respectively. The ETR in the year to date period of 2023 differs from the U.S. corporate tax rate of 21% primarily due to (a) deferred tax benefits from a foreign investment, (b) state and local taxes (net of federal benefit) and , (c) the deductibility of officers' compensation. compensation and (d) the dividends received deduction. The ETR in the year to date period of 2022 differs from the standard corporate tax rate of 21% primarily due to (a) state and local taxes (net of federal benefit), (b) the dividends received deduction, excluded income on certain consolidated entities, (c) the deferred tax asset valuation allowances related to the carryforward of charitable contributions and (d) excluded income on certain consolidated entities. the dividends received deduction. The decrease in the ETR for the six nine months ended June September 30, 2023was primarily due to deferred tax benefits from a foreign investment.

At June September 30, 2023, the Company had net deferred tax assets, before valuation allowance of approximately $7.2 $8.2 million that were recorded within income taxes receivable in the condensed consolidated statements of financial condition. The Company believes that it is more-likely-than-not that the benefit from a portion of the shareholder-designated charitable contribution carryforwards will not be realized. In recognition of this risk, the Company has provided a valuation allowance of $0.3 million and $0.3 million as of June September 30, 2023 and December 31, 2022, respectively, on the deferred tax assets related to these charitable contribution carryforwards.

As of and for the periods ended June September 30, 2023 and December 31, 2022, the Company has not identified any uncertain tax positions.

The Company remains subject to income tax examination by the IRS for the years 2019 through 2021 and state examinations for years after 2016.

7. Earnings per Share

Basic earnings per share is computed by dividing net income/(loss) attributable to our shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is computed by dividing net income/(loss) attributable to our shareholders by the weighted average number of shares, plus any potentially dilutive securities (if any), outstanding during the period.

The computations of basic and diluted net income/(loss) per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share amounts)	2023	2022	2023	2022	2023	2022	2023	2022
Income/(loss) before noncontrolling interests	$ 3,300	$ (30,092)	$ 21,322	$ (43,597)	$ 107	$ (16,004)	$ 21,429	$ (59,601)
Less: Comprehensive income/(loss) attributable to noncontrolling interests	(71)	(205)	197	2,476				
Less: Income attributable to noncontrolling interests					123	494	320	2,970
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	$ 3,371	$ (29,887)	$ 21,125	$ (46,073)	$ (16)	$ (16,498)	$ 21,109	$ (62,571)
Weighted average number of shares of Common Stock outstanding - basic	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033
Weighted average number of shares of Common Stock outstanding - diluted	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033
Basic and Diluted EPS	$ 0.15	$ (1.36)	$ 0.96	$ (2.09)	$ 0.00	$ (0.75)	$ 0.97	$ (2.84)

8. Equity

Voting Rights

The holders of Class A Common stock ("Class A Stock") and Class B Common stock ("Class B Stock") have identical rights except that holders of Class A Stock are entitled to one vote per share, while holders of Class B Stock are entitled to ten votes per share on all matters to be voted on by shareholders in general. Holders of each share class, however, are not eligible to vote on matters relating exclusively to the other share class.

Stock Award and Incentive Plan

The Company's Board of Directors periodically grants shares of Phantom Restricted Stock awards ("Phantom RSAs"). Under the terms of the grants, the Phantom RSAs vest 30% and 70% after three and five years, respectively. The Phantom RSAs will be settled by a cash payment, net of applicable withholding tax, on the vesting dates. In addition, an amount equivalent to the cumulative dividends declared on shares of the Company's Class A common stock Stock during the vesting period will be paid to participants on vesting.

The Phantom RSAs are treated as a liability because cash settlement is required and compensation will be recognized over the vesting period. In determining the compensation expense to be recognized each period, the Company will re-measure the fair value of the liability at each reporting date taking into account the remaining vesting period attributable to each award and the current market value of the Company's Class A stock. Stock. In making these determinations, the Company will consider the impact of Phantom RSAs that have been forfeited prior to vesting (e.g., due to an employee termination). The Company has elected to consider forfeitures as they occur. Based on the closing price of the Company's Class A Common Stock on June September 30, 2023 and December 31, 2022, the total Phantom RSA liability recorded by the Company in compensation payable in our the condensed consolidated statements of financial condition as of June 30, 2023 and December 31, 2022was $5.0 $3.7 million and $4.8 million, respectively.

The following table summarizes our stock-based compensation as well as unrecognized compensation for the three and six nine month -month periods ended June September 30, 2023 and 2022, respectively. Stock-based compensation expense is included in compensation expense in the condensed consolidated statements of income (dollars in thousands, unless otherwise noted):

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Stock-based compensation expense	$ 323	$ (117)	$ 205	$ 322	$ 752	$ 452	$ 957	$ 769
Remaining expense to be recognized, if all vesting conditions are met(1)			6,012	4,493			5,607	4,408
Weighted average remaining contractual term (in years)			2.2	2.0			2.1	1.9

(1) Does not include an estimate for projected future dividends.

The following table summarizes Phantom RSA ("PRSA") activity:

	PRSA's	Weighted Average Grant Date Fair Value	PRSAs	Weighted Average Grant Date Fair Value
Balance at December 31, 2022	210,910	$ 36.17	210,910	$ 36.17
Granted	-	-	-	-
Forfeited	-	-	-	-
Vested	-	-	-	-
Balance at March 31, 2023	210,910	$ 36.17	210,910	$ 36.17
Granted	97,000	39.61	97,000	39.61
Forfeited	-	-	-	-
Vested	-	-	-	-
Balance at June 30, 2023	307,910	$ 37.25	307,910	$ 37.25
Granted			-	-
Forfeited			-	-
Vested			(56,560)	37.40
Balance at September 30, 2023			251,350	$ 37.22

Stock Repurchase Program

In December 2015, the Board of Directors established a stock repurchase program authorizing the Company to repurchase up to 500,000 shares. On February 7, 2017, the Board of Directors reset the available number of shares to be purchased under the stock repurchase program to 500,000 shares. On August 3, 2017 and May 8, 2018, the Board of Directors authorized the repurchase of an additional 1 million and 500,000 shares, respectively. Our stock repurchase program is not subject to an expiration date.

The following table presents the Company's stock repurchase activity and remaining authorization:

	Number of shares purchased	Average price per share		
For the period ended September 30, 2023:			Number of shares purchased	Average price per share
Remaining repurchase authorization December 31, 2022	609,352		609,352	
Share repurchases under stock repurchase program (1)	(52,307)	$ 37.27	(52,307)	$ 37.27
Remaining repurchase authorization March 31, 2023	557,045		557,045	
Share repurchases under stock repurchase program (1)	(211,870)	$ 35.95	(211,870)	$ 35.95
Remaining repurchase authorization June 30, 2023	345,175		345,175	
Share repurchases under stock repurchase program (1)			(103,169)	$ 36.98
Remaining repurchase authorization September 30, 2023			242,006	
For the period ended September 30, 2022:				
Remaining repurchase authorization December 31, 2021	677,144		677,144	
Share repurchases under stock repurchase program (1)	(7,536)	$ 38.84	(7,536)	$ 38.84
Remaining repurchase authorization March 31, 2022	669,608		669,608	
Share repurchases under stock repurchase program (1)	(35,292)	$ 37.32	(35,292)	$ 37.32
Remaining repurchase authorization June 30, 2022	634,316		634,316	
Share repurchases under stock repurchase program (1)			(11,752)	$ 37.52
Remaining repurchase authorization September 30, 2022			622,564	

(1) Repurchases totaled $7.6 $3.8 million and $1.3 $0.4 million for the three-month periods ended June September 30, 2023 and 2022, respectively. Repurchases totaled $9.6 $13.4 million and $1.6 $2.1 million for the six nine-month periods ended June September 30, 2023 and 2022, respectively.

Dividends

During There were no dividends declared during the three and six-month periods ended June September 30, 2023 and 2022. During the nine-month periods ended September 30, 2023 and 2022, the Company declared dividends of $0.10 per share to Class A and Class B shareholders.

9. Goodwill

At June September 30, 2023, goodwill on the condensed consolidated statements of financial condition includes $3.4 million of goodwill related to GCIA. The Company assesses the recoverability of goodwill at least annually, or more often should events warrant, using a qualitative assessment of whether it is more likely than not that an impairment has occurred to determine if a quantitative analysis is required. There were no indicators of impairment for the six nine months ended June September 30, 2023 and 2022, and as such there was no impairment analysis performed or charge recorded.

10. Guarantees, Contingencies and Commitments

From time to time, the Company may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the condensed consolidated financial statements include the necessary provisions for losses, if any, that the Company believes are probable and estimable. Furthermore, the Company evaluates whether losses exist which may be reasonably possible and will, if material, make the necessary disclosures. Management is not aware of any probable or reasonably possible losses at June September 30, 2023.

The Company has also entered into arrangements with various other third parties, many of which provide for indemnification of the third parties against losses, costs, claims and liabilities arising from the performance of obligations under the agreements. The Company has had no claims or payments pursuant to these or prior agreements and believes the likelihood of a claim being made is remote, and, therefore, no accrual has been made on the condensed consolidated financial statements.

11. Subsequent Events

From July October 1, 2023 to August 10, November 13, 2023, the Company repurchased 48,764 36,986 shares at $36.92 $34.82 per share.

On August 9, November 8, 2023, the Board of Directors approved declared a $0.20 semi-annual dividend of $0.10 per share, shareholder designated charitable contribution. If all eligible shares outstanding were registered which is payable on December 14, 2023 to participate at the Class A and Class B shareholders of record date, the total contribution would total $4.3 million. on December 1, 2023.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

MD&A is provided as a supplement to, and should be read in conjunction with, the Company's unaudited interim consolidated financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q, as well as the Company's audited annual financial statements included in our Form 10-K filed with the SEC on March 15, 2023 to help provide an understanding of our financial condition, changes in financial condition and results of operations. Unless the context otherwise requires, all references to "we," "us," "our," "AC Group" or the "Company" refer collectively to Associated Capital Group, Inc., a holding company, and its subsidiaries through which our operations are actually conducted.

Overview

We are a Delaware corporation, incorporated in 2015, that provides alternative investment management services and operates a direct investment business that over time invests in businesses that fit our criteria. Additionally, we derive income from proprietary investments.

Alternative Investment Management

We conduct our investment management activities through our wholly-owned subsidiary Gabelli & Company Investment Advisers, Inc. ("GCIA") and its wholly-owned subsidiary, Gabelli & Partners, LLC ("Gabelli & Partners"). GCIA is an investment adviser registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). GCIA and Gabelli & Partners together serve as general partners or investment managers to investment funds including limited partnerships and offshore companies (collectively, "Investment Partnerships"), and separate accounts. We primarily manage assets across a range of risk and event arbitrage portfolios and in equity event-driven value strategies. The business earns management and incentive fees from its advisory activities. Management fees are largely based on a percentage of assets under management ("AUM"). Incentive fees are based on a percentage of the investment returns of certain client portfolios.

We manage assets on a discretionary basis and invest in a variety of U.S. and foreign securities mainly in the developed global markets. We primarily employ absolute return strategies with the objective of generating positive returns. We serve a wide variety of investors globally including private wealth management clients, corporations, corporate pension and profit-sharing plans, foundations and endowments, as well as serving as sub-advisor to certain third-party investment funds.

In merger arbitrage, the goal is to earn absolute positive returns. We introduced our first limited partnership, Gabelli Arbitrage (renamed Gabelli Associates Fund), in February 1985. Our typical investment process begins at the time of deal announcement, buying shares of the target at a discount to the stated deal terms, earning the spread until the deal closes, and reinvesting the proceeds in new deals in a similar manner. By owning a diversified portfolio of transactions, we mitigate the adverse impact of single deal-specific risks.

As the business and investor base expanded, we launched an offshore version in 1989. Building on our strengths in global event-driven value investing, several investment vehicles have been added to balance investors' geographic, strategic and sector-specific needs. Today, we manage investments in multiple categories, including merger arbitrage, event-driven value and other strategies.

Proprietary Capital

Proprietary capital is earmarked for our direct investment business that invests in new and existing businesses, using a variety of techniques and structures. We launched our direct private equity and merchant banking activities in August 2017. The direct investment business is developing along several core pillars including Gabelli Private Equity Partners, LLC and Gabelli Principal Strategies Group, LLC. Gabelli Private Equity Partners, LLC ("GPEP") was formed in August 2017 with $150 million of authorized capital as a "fundless" sponsor.

Our direct investing efforts are organized to invest in various ways, including growth capital, leveraged buyouts and restructurings, with an emphasis on small and mid-sized companies. Our investment sourcing is across a variety of channels including direct owners, private equity funds, classic agents, and corporate carve outs (which are positioned for accelerated growth, as businesses seek to enhance shareholder value through financial engineering). The Company's direct investing vehicles allow us to acquire companies and create long-term value with no pre-determined exit timetable. We created Gabelli Principal Strategies Group, LLC ("GPS") in December 2015 to pursue strategic operating initiatives broadly.

We have a proprietary portfolio of cash and investments which we expect to use to invest primarily in funds that we will manage, provide seed capital for new products, expand our geographic presence, develop new markets and pursue strategic acquisitions and alliances.

In response to the invasion of Ukraine by Russia, economic sanctions were imposed on individuals and entities within Russia by governments around the world, including the U.S. and the European Union. Furthermore, a novel strain of coronavirus, and its variants, ("COVID-19") continue to disrupt global supply chains, adding broad inflationary pressures impacting companies worldwide. The resulting economic dislocations from the Ukraine-Russia conflict and the pandemic did not have a significant adverse impact on our AUM.

Financial Highlights

The following is a summary of the Company's financial performance for the quarters ended June 30, 2023 September 30, 2023 and 2022:

($000s except per share data or as noted)

	Second Quarter				Third Quarter	
	2023		2022		2023	2022
AUM - end of period (in millions)	$	1,549	$	1,802	$1,588	$1,752
AUM - average (in millions)	$	1,640		1,851	1,580	1,807
Net income/(loss) per share-diluted	$	0.15	$	(1.36)	$ 0.00	$ (0.75)
Book value per share at June 30	$	41.41	$	40.30		
Book value per share at September 30					$41.43	$39.96

Condensed Consolidated Statements of Income

Investment advisory and incentive fees, which are based on the amount and composition of AUM in our funds and accounts, represent our largest source of revenues. Growth in revenues depends on good investment performance, which influences the value of existing AUM as well as contributes to higher investment and lower redemption rates and attracts additional investors while maintaining current fee levels. Growth in AUM is also dependent on being able to access various distribution channels, which is usually based on several factors, including performance and service. In light of the ongoing dynamics created by rising interest rates, high inflation, geo-political conflict, COVID-19 and the related impact on the global supply chain and banks, oil, travel and leisure, we could experience higher volatility in the short term returns of our funds.

Incentive fees generally consist of an incentive allocation on the absolute gain in a portfolio generally equating to 20% of the economic profit, as defined in the agreements governing the investment vehicle or account. We recognize such revenue only when the measurement period has been completed generally in December or at the time of an investor redemption.

Compensation includes variable and fixed compensation and related expenses paid to officers, portfolio managers, sales, trading, research and all other professional staff. Variable compensation is paid to sales personnel and portfolio management and may represent up to 55% of revenues.

Management fee expense is incentive-based compensation equal to 10% of adjusted aggregate pre-tax profits paid to the Executive Chair or his designees for his services pursuant to an employment agreement.

Other operating expenses include general and administrative operating costs.

Other income and expense includes net gains and losses from investments (which include both realized and unrealized gains and losses from securities and equity in earnings of investments in partnerships), interest and dividend income, and interest expense. Net gains and losses from investments are derived from our proprietary investment portfolio consisting of various public and private investments and from consolidated investment funds.

Net income attributable to noncontrolling interests represents the share of net income attributable to third-party limited partners of certain partnerships and offshore funds we consolidate. Please refer to Notes 1 and 4 in our condensed consolidated financial statements included elsewhere in this report.

Condensed Consolidated Statements of Financial Condition

We ended the second third quarter of 2023 with approximately $870.1 million $860.6 million in cash and investments, net of securities sold, not yet purchased of $3.9 $5.1 million. This includes $381.4 million $381.3 million of cash and cash equivalents; $1.0 million $3.0 million of short-term U.S. Treasury obligations; $210.3 million $208.3 million of securities, net of securities sold, not yet purchased, including shares of GAMCO with a market value of $46.1 million $48.0 million; and $277.4 million $268.2 million invested in affiliated and third-party funds and partnerships, including investments in affiliated closed end funds which have a value of $58.0 million $54.6 million and more limited liquidity. Our financial resources provide flexibility to pursue strategic objectives that may include acquisitions, lift-outs, seeding new investment strategies, and co-investing, as well as shareholder compensation in the form of share repurchases and dividends.

Total shareholders' equity was $899.6 million $895.7 million or $41.41 $41.43 per share as of June 30, 2023 September 30, 2023, compared to $890.2 million or $40.48 per share as of December 31, 2022. Shareholders' equity per share is calculated by dividing the total Associated Capital Group, Inc. equity by the number of common shares outstanding. The increase in equity from the end of 2022 was largely attributable to income for the year to date period.

RESULTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues								
Investment advisory and incentive fees	$ 2,280	$ 2,451	$ 4,691	$ 4,937	$ 2,098	$ 2,472	$ 6,789	$ 7,409
Other revenues	102	95	156	191	102	90	258	281
Total revenues	2,382	2,546	4,847	5,128	2,200	2,562	7,047	7,690
Expenses								
Compensation	3,789	3,007	7,359	6,940	4,078	3,591	11,437	10,531
Management fee	544	-	3,087	-	(12)	-	3,075	-
Other operating expenses	1,520	1,750	3,005	3,705	1,655	2,100	4,660	5,805
Total expenses	5,853	4,757	13,451	10,645	5,721	5,691	19,172	16,336
Operating loss	(3,471)	(2,211)	(8,604)	(5,517)	(3,521)	(3,129)	(12,125)	(8,646)
Other income/(expense)								
Net gain/(loss) from investments	3,297	(37,803)	23,808	(53,413)	(2,173)	(19,314)	21,635	(72,727)
Interest and dividend income	5,968	1,932	11,161	2,736	6,336	2,797	17,497	5,533
Interest expense	(156)	(46)	(254)	(79)	(134)	(66)	(388)	(145)
Shareholder-designated contribution	(498)	-	(1,369)	(208)	(235)	(1,206)	(1,604)	(1,414)
Total other income/(expense), net	8,611	(35,917)	33,346	(50,964)	3,794	(17,789)	37,140	(68,753)
Income/(loss) before income taxes	5,140	(38,128)	24,742	(56,481)	273	(20,918)	25,015	(77,399)
Income tax expense/(benefit)	1,840	(8,036)	3,420	(12,884)	166	(4,914)	3,586	(17,798)
Income/(loss) before noncontrolling interests	3,300	(30,092)	21,322	(43,597)	107	(16,004)	21,429	(59,601)
Income/(loss) attributable to noncontrolling interests	(71)	(205)	197	2,476				
Income attributable to noncontrolling interests					123	494	320	2,970
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	$ 3,371	$ (29,887)	$ 21,125	$ (46,073)	$ (16)	$ (16,498)	$ 21,109	$ (62,571)
Net income/(loss) per share attributable to Associated Capital Group, Inc.'s shareholders:								
Basic	$ 0.15	$ (1.36)	$ 0.96	$ (2.09)	$ 0.00	$ (0.75)	$ 0.97	$ (2.84)
Diluted	$ 0.15	$ (1.36)	$ 0.96	$ (2.09)	$ 0.00	$ (0.75)	$ 0.97	$ (2.84)
Weighted average shares outstanding (thousands):								
Basic	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033
Diluted	21,870	22,036	21,920	22,045	21,672	22,010	21,836	22,033

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Three Months Ended June 30, 2023 September 30, 2023 Compared to Three Months Ended June 30, 2022 September 30, 2022

Overview

Our operating loss for the quarter was $3.5 million compared to $2.2 million $3.1 million for the comparable quarter of 2022. The increase in operating loss was driven primarily by management fee stock based compensation expense of $0.5 million in the 2023 period. There was no management fee expense in 2022 due to pre-tax losses. This increase was also driven by higher stock-based compensation expense of $0.4 million, period resulting from the new issuance of awards in Q2 2023 and a drop in AC's stock price in the Q2 2022 period. 2023. Other income was $8.6 $3.8 million in the 2023 quarter compared to a loss of $35.9 million $17.8 million in the prior year's quarter primarily due to mark-to-market changes in our holdings of our securities portfolio, brought on by market appreciation in the current period versus market volatility that negatively impacted the second third quarter 2022. The Company recorded income tax expense in the current quarter of $1.8 million $0.2 million compared to a benefit of $8.0 million $4.9 million in the prior year's quarter. Consequently, our current quarter net income loss was $3.4 million, $16 thousand, or $0.15 $0.00 per diluted share, compared to net loss of $29.9 million $16.5 million, or $(1.36) $(0.75) per diluted share, in the prior year's comparable quarter.

Revenues

Total revenues were $2.4 million $2.2 million for the quarter ended June 30, 2023 September 30, 2023, roughly compared to $2.6 million in the same as the second third quarter of 2022.

We earn advisory fees based on the average level of AUM in our products. Advisory and incentive fees were $2.3 million $2.1 million for the 2023 period, compared to $2.5 million in line with the comparable quarter of 2022. 2022 period. Incentive fees are not recognized until the uncertainty surrounding the amount of variable consideration ends and the fee is crystalized, typically on an annual basis on December 31. There were no material unrecognized incentive fees for the quarter ended June 30, 2023 September 30, 2023 and 2022, respectively.

Expenses

Compensation, which include variable compensation, salaries, bonuses and benefits, was $3.8 million $4.1 million and $3.0 $3.6 million for the three month periods ended June 30, 2023 September 30, 2023 and 2022, respectively. Fixed compensation, which includes salaries and benefits and stock based compensation, increased to $2.9 million $3.3 million for the 2023 period from $2.1 million $2.7 million in the prior year period primarily driven by higher stock-based compensation expense. The remainder of the compensation expense represents variable compensation that fluctuates with management fee and incentive allocation revenues and gains on investment portfolios. Variable payouts as a percent of revenues are impacted by the mix of products upon which performance fees are earned and the extent to which they may exceed their allocated costs. For the third quarter of 2023, these variable payouts were $0.8 million compared to $0.9 million, roughly in line with the accrual for the second third quarter of 2022.

Management fee expense represents incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits which is payable to Mario J. Gabelli pursuant to his employment agreement. Management fee expense of $0.5 million was recorded for the three-month period ended June 30, 2023. No management fee expense was recorded for the three-month period periods ended June 30, 2022 September 30, 2023 and 2022, respectively, due to losses in the pre-tax loss. quarter.

Other operating expenses were $1.5 million $1.7 million during the three months ended June 30, 2023 September 30, 2023 compared to $1.8 million $2.1 million in the prior year's quarter.

Other

Net gain/(loss) from investments is primarily related to the performance of our securities portfolio and investments in partnerships. Investment gains losses were $3.3 $2.2 million in the 2023 quarter versus losses of $37.8 million $19.3 million in the comparable 2022 quarter, the increase difference driven by market appreciation in the current period compared to market volatility that negatively impacted Q2 Q3 2022 brought on by rising interest rates, geo-political factors and accelerating inflation.

Interest and dividend income increased to $6.0 million $6.3 million in the 2023 quarter from $1.9 million $2.8 million in the 2022 quarter primarily driven by increased interest income as a result of higher interest rates in 2023.

Shareholder-designated contributions in the 2023 quarter increased decreased to $0.5 $0.2 million, driven by timing of contributions.

Income taxes

Our income tax expense was $1.8 million $0.2 million for the quarter compared to a benefit of $8.0 million $4.9 million in the comparable period of 2022. The effective rate for the three months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022 was 35.8% 60.8% and 21.1% 23.5%, respectively. The difference in effective rate period over period is primarily driven by deferred taxes from a foreign investment which increased the current quarter's effective tax rate.

Six Nine Months Ended June 30, 2023 September 30, 2023 Compared to Six Nine Months Ended June 30, 2022 September 30, 2022

Overview

Our operating loss for the year to date period was $8.6 $12.1 million compared to $5.5 $8.6 million for the comparable period of 2022. The increase in operating loss was driven primarily by management fee expense of $3.1 million in the 2023 period. There was no management fee expense in the 2022 period due to pre-tax losses. Other income was $33.3 $37.1 million in the 2023 period compared to a loss of $51.0 $68.8 million in the prior year period primarily due to mark-to-market changes in our holdings of our securities portfolio, brought on by market appreciation in the current period compared to market volatility that negatively impacted the first half nine months of 2022. The Company recorded income tax expense in the current year to date period of $3.4 $3.6 million compared to a benefit of $12.9 $17.8 million in the prior period. Consequently, our year to date net income was $21.1 million for 2023, or $0.96 $0.97 per diluted share, compared to net loss of $46.1 $62.6 million, or $(2.09) $(2.84) per diluted share, in the prior year's comparable period.

Revenues

Total revenues were $4.8 $7.0 million for the six months nine-months ended June 30, 2023 September 30, 2023, compared to $5.1 $7.7 million for the six months nine-months ended June 30, 2022 September 30, 2022.

We earn advisory fees based on the average level of AUM in our products. Advisory and incentive fees were $4.7 $6.8 million for the 2023 in line with period, compared to $7.4 million for the comparable period of 2022. 2022 period.

Expenses

Compensation, which include variable compensation, salaries, bonuses and benefits, was $7.4 $11.4 million and $6.9 $10.5 million for the six nine month periods ended June 30, 2023 September 30, 2023 and 2022, respectively. Fixed compensation, which includes salaries and benefits and stock based compensation, increased to $5.6 $8.8 million for the 2023 period from $5.1 $7.8 million in the prior year. year period. The remainder of the compensation expense represents variable compensation that fluctuates with management fee and incentive allocation revenues and gains on investment portfolios. Variable payouts as a percent of revenues are impacted by the mix of products upon which performance fees are earned and the extent to which they may exceed their allocated costs. For the 2023 period, these variable payouts were $1.8 $2.6 million compared to $2.7 million in line with the accrual for the comparable 2022 period.

Management fee expense represents incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits which is payable to Mario J. Gabelli pursuant to his employment agreement. Management fee expense of $3.1 million was recorded for the six-month nine-month period ended June 30, 2023 September 30, 2023. No management fee expense was recorded for the six-month nine-month period ended June 30, 2022 September 30, 2022 due to the pre-tax loss.

Other operating expenses were $3.0 $4.7 million during the six nine months ended June 30, 2023 September 30, 2023 compared to $3.7 $5.8 million in the prior year period.

Other

Net gain/(loss) from investments is primarily related to the performance of our securities portfolio and investments in partnerships. Investment gains were $23.8 $21.6 million in the 2023 period versus losses of $53.4 $72.7 million in the comparable 2022 period, the increase driven by market appreciation in the current period compared to market volatility that negatively impacted the first half nine months of 2022 brought on by rising interest rates, geo-political factors and accelerating inflation.

Interest and dividend income increased to $11.2 $17.5 million in the 2023 period from $2.7 $5.5 million in the 2022 period primarily driven by increased interest income as a result of higher interest rates in 2023.

Shareholder-designated contributions in the 2023 period increased to $1.4 $1.6 million compared to $0.2 $1.4 million in the 2022 period, driven by timing of contributions.

Income taxes

Our income tax expense was $3.4 $3.6 million for the period compared to a benefit of $12.9 $17.8 million in the comparable period of 2022. The effective rate for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was 13.8% 14.3% and 22.8% 23.0%, respectively. The difference in effective rate period over period is primarily driven by deferred tax benefits from a foreign investment which reduced the current period's effective tax rate.

ASSETS UNDER MANAGEMENT

Our revenues are highly correlated to the level of assets under management and fees associated with our various investment products, rather than our own corporate assets. Assets under management, which are directly influenced by the level and changes of the overall equity markets, can also fluctuate through acquisitions, the creation of new products, and the addition of new accounts or the loss of existing accounts. Since various equity products have different fees, changes in our business mix may also affect revenues. At times, the performance of our equity products may differ markedly from popular market indices, and this can also impact our revenues.

Assets under management were $1.5 billion $1.6 billion as of June 30, 2023 September 30, 2023. The changes from December 31, 2022 and June 30, 2022 September 30, 2022 were primarily attributable to investor outflows and market decline.

Assets Under Management (in millions)

				% Change From					% Change From	
	June 30, 2023	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022	September 30, 2023	December 31, 2022	September 30, 2022	December 31, 2022	September 30, 2022
Merger Arbitrage(a)	$ 1,286	$ 1,588	$ 1,591	(19.0)	(19.2)					
Merger Arbitrage(a)						$ 1,322	$ 1,588	$ 1,518	(16.8)	(12.9)
Long/Short Value	230	222	174	3.6	32.2	233	222	203	5.0	14.8
Other	33	32	37	3.1	(10.8)	33	32	31	3.1	6.5
Total AUM	$ 1,549	$ 1,842	$ 1,802	(15.9)	(14.0)	$ 1,588	$ 1,842	$ 1,752	(13.8)	(9.4)

(a) Includes $579, $613, $856 and $866 $775 of sub-advisory AUM related to GAMCO International SICAV - GAMCO Merger Arbitrage, and $141, $148, $206 and $66 $74 of 100% U.S. Treasury Fund managed by GAMCO at June 30, 2023 September 30, 2023, December 31, 2022 and June 30, 2022 September 30, 2022, respectively.

Fund flows for the three months ended June 30, 2023 September 30, 2023 (in millions):

	March 31, 2023	Market Appreciation/ (Depreciation)	**Foreign Currency(1)**	Net Inflows/ (Outflows)	June 30, 2023	June 30, 2023	Market Appreciation/ (Depreciation)	**Foreign Currency(1)**	Net Inflows/ (Outflows)	September 30, 2023
Merger Arbitrage	$ 1,537	$ (14)	$ (5)	$ (232)	$ 1,286	$ 1,286	$ 35	$ (22)	$ 23	$ 1,322
Long/Short Value	229	1	-	-	230	230	(2)	-	5	233
Other	33	-	-	-	33	33	-	-	-	33
Total AUM	$ 1,799	$ (13)	$ (5)	$ (232)	$ 1,549	$ 1,549	$ 33	$ (22)	$ 28	$ 1,588

(1) Reflects the impact of currency fluctuations of non-US dollar classes of investment funds.

The majority of our AUM have calendar year-end measurement periods, and our incentive fees are primarily recognized in the fourth quarter. Assets under management decreased increased on a net basis by $250 million $39 million for the quarter ended June 30, 2023 September 30, 2023 due to net investor outflows inflows of $232 million $28 million, and market depreciation appreciation of $13 million and $33 million, partially offset by the impact of currency fluctuations of non-US dollar denominated classes of investment funds of $5 $22 million.

Liquidity and Capital Resources

Our principal assets consist of cash and cash equivalents; short-term treasury securities; marketable securities, primarily equities, including 2.4 million shares of GAMCO; and interests in affiliated and third-party funds and partnerships. Although Investment Partnerships may be subject to restrictions as to the timing of distributions, the underlying investments of such Investment Partnerships are generally liquid, and the valuations of these products reflect that underlying liquidity.

Summary cash flow data is as follows (in thousands):

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cash flows provided by (used in):				
Operating activities	$ 179,403	$ 29,272	$ 194,815	$ (30,558)
Investing activities	676	(2,865)	2,330	251
Financing activities	(15,058)	(5,010)	(18,949)	(5,450)
Net (decrease)/increase in cash, cash equivalents and restricted cash	165,021	21,397	178,196	(35,757)
Cash, cash equivalents and restricted cash at beginning of period	221,269	328,594	221,269	328,594
Cash, cash equivalents and restricted cash at end of period	$ 386,290	$ 349,991	$ 399,465	$ 292,837

We require relatively low levels of capital expenditures and have a highly variable cost structure where costs increase and decrease based on the level of revenues we receive. Our revenues, in turn, are highly correlated to the level of AUM and to investment performance. We anticipate that our available liquid assets should be sufficient to meet our cash requirements as we build out our operating business. At June 30, 2023 September 30, 2023, we had cash and cash equivalents of $381.4 million $381.3 million, Investments investments in U.S. Treasury Bills of $1.0 $3.0 million and $210.3 million $208.3 million of investments net of securities sold, not yet purchased of $3.9 million $5.1 million. Included in cash and cash equivalents are $6.4 million $3.5 million as of June 30, 2023 September 30, 2023 which were held by consolidated investment funds and may not be readily available for the Company to access.

Net cash provided by operating activities was $179.4 million $194.8 million for the six nine months ended June 30, 2023 September 30, 2023 due to $186.3 $191.6 million of net decreases of securities and net distributions from investment partnerships and our net income of $21.3 $21.4 million, partially offset by $19.4 $17.8 million of adjustments for noncash items, primarily gains on investments securities and partnership investments and deferred taxes and $8.8 $0.4 million of net receivables/payables. Net cash provided by investing activities was $0.7 million $2.3 million primarily due to return of capital on securities of $1.0 million $1.2 million and proceeds from sales of securities of $0.8 $2.2 million, partially offset by purchases of securities of $1.1 million $1.2 million. Net cash used in financing activities was $15.1 million $18.9 million resulting primarily from stock buyback payments of $9.6 $13.4 million, redemptions of redeemable noncontrolling interests of $3.3 $3.4 million and dividends paid of $2.2 million.

Net cash provided by used in operating activities was $29.3 million $30.6 million for the six nine months ended June 30, 2022 September 30, 2022 due to $15.0 million $90.5 million of net decreases of securities and net distributions from investment partnerships and $40.3 our net loss of $59.6 million, partially offset by $56.0 million of adjustments for noncash items, primarily losses on investment securities and partnership investments and deferred taxes and $17.6 million $63.6 million of net receivables/payables, partially offset by our net loss of $43.6 million. payables. Net cash used in provided by investing activities was $2.9 million $0.3 million due to purchases proceeds from maturities of debt securities held to maturity of $4.3 million offset by $5.1 million, return of capital on securities of $1.3 million $1.9 million and proceeds from sales of securities of $0.6 million, partially offset by purchases of securities of $5.9 million and the impact of deconsolidation of our subsidiary of $1.4 million. Net cash used in financing activities was $5.0 million $5.5 million resulting from dividends paid of $2.2 million, stock buyback payments of $1.6 million $2.1 million and redemptions of redeemable noncontrolling interests of $1.1 million. $1.2 million.

Critical Accounting Policies and Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from those estimates. See Note 1 and the Company's Critical Accounting Policies in Management's Discussion and Analysis of Financial Condition and Results of Operations in AC's 2022 Annual Report on Form 10-K filed with the SEC on March 15, 2023 for details on Critical Accounting Policies.

ITEM 3: Quantitative and Qualitative Disclosures About Market Risk

Smaller reporting companies are not required to provide the information required by this item.

ITEM 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Co-Chief Chief Financial Officers, Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Co-Chief Chief Financial Officers Officer have concluded that our disclosure controls and procedures were effective as of and for the period covered by this report.

Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting as defined by Rule 13a-15(f) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Information

Our disclosure and analysis in this report contain some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation:

- the adverse effect from a decline in the securities markets
- a decline in the performance of our products
- a general downturn in the economy
- changes in government policy or regulation
- changes in our ability to attract or retain key employees
- unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations

We also direct your attention to any more specific discussions of risk contained in our Form 10 and other public filings. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.

PART II: Other Information

ITEM 1: Legal Proceedings

Currently, we are not subject to any legal proceedings that individually or in the aggregate involved a claim for damages in excess of 10% of our consolidated assets. From time to time, we may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. Examinations or investigations can result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the condensed consolidated financial statements include the necessary provisions for losses that we believe are probable and estimable. Furthermore, we evaluate whether there exist losses which may be reasonably possible and, if material, make the necessary disclosures. However, management believes such matters, both those that are probable and those that are reasonably possible, are not material to the Company's condensed consolidated financial condition, operations, or cash flows at June 30, 2023September 30, 2023. See also Note 10, *Guarantees, Contingencies and Commitments*, to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

ITEM 1A: Risk Factors.

Smaller reporting companies are not required to provide the information required by this item.

ITEM 2: Unregistered Sales of Equity Securities And Use Of Proceeds

The following table provides information for our repurchase of our Class A Stock during the quarter ended June 30, 2023September 30, 2023:

Period	Total Number of Shares Repurchased	Average Price Paid Per Share, net of Commissions	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
04/01/23 - 04/30/23	49,105	$ 36.67	49,105	507,940
05/01/23 - 05/31/23	17,142	37.36	17,142	490,798
06/01/23 - 06/30/23	145,623	35.54	145,623	345,175
Totals	211,870	$ 35.95	211,870	

Period	Total Number of Shares Repurchased	Average Price Paid Per Share, net of Commissions	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
07/01/23 - 07/31/23	37,257	$ 36.74	37,257	307,918
08/01/23 - 08/31/23	34,295	37.17	34,295	273,623
09/01/23 - 09/30/23	31,617	37.06	31,617	242,006
Totals	103,169	$ 36.98	103,169	

ITEM 6: (a) Exhibits

Exhibit Number	Description of Exhibit
2.1	Separation and Distribution Agreement, dated November 30, 2015, between GAMCO Investors, Inc., a Delaware corporation ("GAMCO"), and Associated Capital Group, Inc., a Delaware corporation (the "Company"). (Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K dated November 30, 2015 filed with the Securities and Exchange Commission on December 4, 2015).
3.1	Amended and Restated Certificate of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Form 8-K dated November 19, 2015 filed with the Securities and Exchange Commission on November 25, 2015).
3.2	Amended and Restated Bylaws of the Company. (Incorporated by reference to Exhibit 3.2 to the Company's Report on Form 8-K dated November 19, 2015 filed with the Securities and Exchange Commission on November 25, 2015).
4.1	Form of Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 to Amendment No. 4 to the Company's Registration Statement on Form 10 filed with the Securities and Exchange Commission on October 21, 2015).

4.2	Description of The Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. (Incorporated by reference to Exhibit 4.2 of the Company's Report on Form 10-K filed with the Commission on March 16, 2020).
10.1	Service Mark and Name License Agreement, dated November 30, 2015, by and between the Company and GAMCO. (Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K dated November 30, 2015 filed with the Commission on December 4, 2015).
10.2	Transitional Administrative and Management Services Agreement, dated November 30, 2015, by and between the Company and GAMCO. (Incorporated by reference to Exhibit 10.2 to the Company's Form 8-K dated November 30, 2015 filed with the Commission on December 4, 2015).
10.3	Employment Agreement between the Company and Mario J. Gabelli dated November 30, 2015 (Incorporated by reference to Exhibit 10.3 to the Company's Form 8-K dated November 30, 2015 filed with the Commission on December 4, 2015).
10.4	Promissory Note in aggregate principal amount of $250,000,000, dated November 30, 2015, issued by GAMCO in favor of the Company (Incorporated by reference to Exhibit 10.4 to the Company's Form 8-K dated November 30, 2015 filed with the Commission on December 4, 2015).
10.5	Tax Indemnity and Sharing Agreement, dated November 30, 2015, by and between the Company and GAMCO. (Incorporated by reference to Exhibit 10.5 to the Company's Form 8-K dated November 30, 2015 filed with the Commission on December 4, 2015).
10.6	2015 Stock Award Incentive Plan (Incorporated by reference to Exhibit 10.11 to Amendment No. 4 to the Company's Registration Statement on Form 10 filed with the Securities and Exchange Commission on October 21, 2015).
10.7	Form of Indemnification Agreement by and between the Company and the Indemnitee defined therein (Incorporated by reference to Exhibit 10.7 to Amendment No. 4 to the Company's Registration Statement on Form 10 filed with the Securities and Exchange Commission on October 21, 2015).
10.8	Agreement and Plan of Merger, dated as of October 31, 2019, by and among Morgan Group Holding Co., G.R. acquisition, LLC, G.research, LLC, Institutional Services Holdings, LLC and Associated Capital Group, Inc. (Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Morgan Group Holding Co. filed with the Securities and Exchange Commission on November 6, 2019).
31.1	Certification of CEO pursuant to Rule 13a-14(a).
31.2	Certification of Co-CFO CFO pursuant to Rule 13a-14(a).
31.3	Certification of Co-CFO pursuant to Rule 13a-14(a)
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-CFOs CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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SIGNATURES

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

ASSOCIATED CAPITAL GROUP, INC.
(Registrant)

By: /s/	Patrick B. Huvane Ian J. McAdams	By: /s/	Ian J. McAdams
Name:	Patrick B. Huvane Ian J. McAdams	Name:	Ian J. McAdams
Title:	Interim Co-Chief Chief Financial Officer	Title:	Interim Co-Chief Financial Officer

Date: August 10, 2023 November 13, 2023

Date: August 10, 2023

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Exhibit 31.1

Certifications

I, Douglas R. Jamieson, certify that:

1. I have reviewed this quarter quarterly report on Form 10-Q of Associated Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of income and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Douglas R. Jamieson

Name: Douglas R. Jamieson

Title: Chief Executive Officer

Date: August 10, November 13, 2023

Exhibit 31.2

Certifications

I, Patrick B. Huvane, certify that:

1. I have reviewed this quarter report on Form 10-Q of Associated Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of income and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Patrick B. Huvane

Name: Patrick B. Huvane

Title: Interim Co-Chief Financial Officer

Date: August 10, 2023

Exhibit 31.3

Certifications

I, Ian J. McAdams, certify that:

1. I have reviewed this quarter quarterly report on Form 10-Q of Associated Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of income and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Ian J. McAdams

Name: Ian J. McAdams

Title: Interim Co-Chief Chief Financial Officer

Date: August 10, November 13, 2023

Exhibit 32.1

Certification of CEO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarter Quarterly Report on Form 10-Q of Associated Capital Group, Inc. (the "Company") for the quarter ended June September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Douglas R. Jamieson, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of income of the Company.

By:	/s/ Douglas R. Jamieson
Name:	Douglas R. Jamieson
Title:	Chief Executive Officer
Date:	August 10, November 13, 2023

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

Certification of Co-CFOs CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Associated Capital Group, Inc. (the "Company") for the quarter ended June September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Patrick B. Huvane and Ian J. McAdams, as Interim Co-Chief Chief Financial Officers Officer of the Company, hereby certify, certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of income of the Company.

By:	/s/ Patrick B. Huvane Ian J. McAdams	By:	/s/ Ian J. McAdams
Name:	Patrick B. Huvane Ian J. McAdams	Name:	Ian J. McAdams
Title:	Interim Co-Chief Chief Financial Officer	Title:	Interim Co-Chief Financial Officer
Date:	August 10, November 13, 2023	Date:	August 10, 2023

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

DISCLAIMER

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