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

FORM 10-K

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

For the fiscal year ended December 31, 2020
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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☐ No ☒.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒.

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

The aggregate market value of the class A common stock held by non-affiliates of the registrant as of June 30, 2020 (the last business day of the registrant’s most recently completed second fiscal quarter) was $125,203,285.

As of February 28, 2021, 3,249,309 shares of class A common stock and 18,962,918 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 19,100 and 36,758 shares of class A and class B common stock, respectively. In additional, there are 155,500 Phantom Restricted Stock Awards outstanding as of December 31, 2020.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the registrant’s definitive proxy statement relating to the 2021 Annual Meeting of Shareholders are incorporated by reference in Items 10, 11, 12, 13 and 14 of Part III of this report.

Associated Capital Group, Inc.

Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2020

Forward-Looking Statements

Our disclosure and analysis in this report and in documents that are incorporated by reference contain some forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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. You should not place undue reliance on these statements. 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; and 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 other public filings or in documents incorporated by reference here or in prior filings or reports.

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.

Definitions

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

The information provided in response to Item 7. Management Discussion and Analysis ("MD&A") of Financial Condition and Results of Operation is provided as a supplement to, and should be read in conjunction with, the Consolidated Financial Statements and the notes thereto included in Item 8 to this report.

PART 1: OVERVIEW

Giving Back to Society - (Y)our "S" in ESG

AC seeks to be a good corporate citizen in our community through the way we conduct our business activities as well as by other measures such as serving our community, sponsoring local organizations and developing our teammates.

Since our spin-off in 2015, AC has supported over 160 qualified charities that address a broad range of local, national and international concerns. The recipients were identified by our shareholders through AC's Shareholder-Designated Contribution Program. The 2020 program, approved by our Board in August 2020, allows each shareholder of record at February 28, 2021 to designate a qualified charity to receive a $0.20 per share donation from AC. We expect that the Company's total contributions for the 2020 program will be approximately $4.0 million bringing cumulative donations to approximately $24.0 million.

ITEM 1: BUSINESS

Your Business

We are a Delaware corporation, incorporated in 2015, that provides alternative investment management services and operates a direct investment business that invests in new and existing businesses. We derive a significant amount of investment income/(loss) from proprietary investments in funds that we manage.

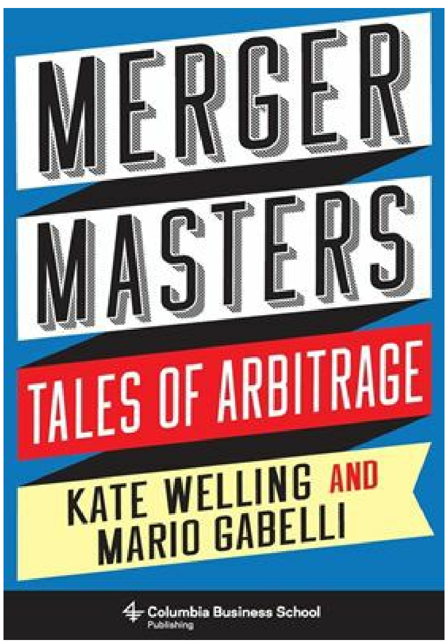
Alternative Investment Management

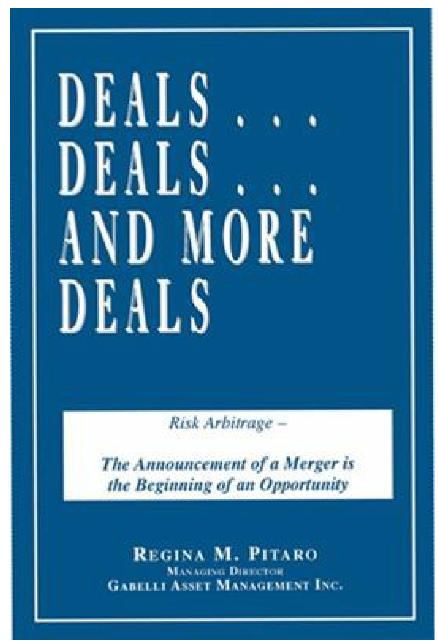
We conduct our investment management activities through our wholly-owned subsidiary Gabelli & Company Investment Advisers, Inc. ("GCIA") and its wholly-owned subsidiary, Gabelli & Partners, LLC ("Gabelli & Partners"). GCIA is an investment adviser registered with the Securities and Exchange Commission ("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 in equity event-driven value strategies and across a range of risk and event arbitrage portfolios. 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 the 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. We primarily employ absolute return strategies with the objective of generating positive returns. We serve a wide variety of investors 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 event merger arbitrage, the goal is to earn absolute positive returns. We introduced our first alternative fund, Gabelli Arbitrage (renamed Gabelli Associates), in February 1985. Our typical investment process involves buying shares of the target at a discount, earning the spread to the deal price when the deal closes, and reinvesting the profits in new deals in a similar manner. By owning a diversified portfolio of deals, we mitigate the adverse impact of deal-specific risks. Since inception in February 1985, we have compounded net annual returns of 7.4%. As a result, a $10 million investment by a tax free vehicle in this fund at its inception would be worth more than $128 million, as of December 31, 2020. In addition, the value of such an investment would have exhibited significantly less volatility than that of broad equity indices.

An offshore version of the event merger arbitrage strategy was added in 1989. Building on our strengths in global event-driven value investing, several new investment funds have been added to balance investors' geographic, strategy and sector needs. Today, we manage Investment Partnerships in multiple categories, including event merger arbitrage, event-driven value and other strategies.





Assets Under Management

As of December 31, 2020, we managed approximately $1.35 billion in assets. The following table sets forth AC's total AUM, including investment funds and separately managed accounts, for the dates shown (in millions):

	December 31, 2020	December 31, 2019
Event Merger Arbitrage	$ 1,126	$ 1,525
Event-Driven Value (a)	180	132
Other (b)	45	59
Total (c)	$ 1,351	$ 1,716

(a) Excluding event merger arbitrage.
(b) Includes investment vehicles focused on private equity, merchant banking, non-investment-grade credit and capital structure arbitrage.
(c) Includes $235 and $259 of proprietary capital, respectively.

Proprietary Capital

The proprietary capital is earmarked for our direct investment business that invests in new and existing businesses, using a variety of techniques and structures. The direct investment business is developing along three core pillars; Gabelli Private Equity Partners, LLC ("GPEP"), formed in August 2017 with $150 million of authorized capital as a "fund-less" sponsor; the SPAC business (Gabelli special purpose acquisition vehicles), launched in April 2018 when the Company sponsored a €110 million initial public offering of its first special purpose acquisition corporation, the Gabelli Value for Italy S.p.a., which was subsequently liquidated on July 8, 2020 at the apex of the pandemic in Italy. Finally, Gabelli Principal Strategies Group, LLC ("GPS") was created to pursue strategic operating initiatives.

On September 22, 2020, Associated Capital announced the $175 million initial public offering of its special purpose acquisition corporation ("SPAC"), PMV Consumer Acquisition Corp. (NYSE:PMVC). PMV Consumer Acquisition Corp. ("PMV") was created to pursue an initial business combination following the consumer globally with companies having an enterprise valuation in the range of $200 million to $3.5 billion.

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, including SPACs that we or our affiliates sponsor, expand our geographic presence, develop new markets and pursue strategic acquisitions and alliances.

Morgan Group Holding Co. Spin-Off

On March 16, 2020, the Company announced that its Board of Directors approved the spin-off of Morgan Group Holding Co. ("Morgan Group") which included our institutional research services business, to AC's shareholders whereby AC would distribute to its shareholders on a pro rata basis the 50,000,000 shares of Morgan Group that it owned upon close of the spin-off.

On May 5, 2020, the Morgan Group board approved a reverse stock split of the issued and outstanding shares of their common stock, par value $0.01 per share, in a ratio of 1-for-100 that was effective on June 10, 2020.

On August 5, 2020, the distribution of AC's 83.3% stake in Morgan Group was completed to shareholders of record as of July 30, 2020. Based on the distribution ratio, AC shareholders received approximately 0.022356 shares of Morgan Group common stock for each share of AC common stock they held.

The historical financial results of Morgan Group have been reflected in the Company's consolidated financial statements as discontinued operations for all periods presented through August 5, 2020.

Business Strategy

Our business strategy targets global growth of the business through continued leveraging of our proven asset management strengths including the long-term performance record of our alternative investment funds, diverse product offerings and experienced investment, research and client relationship professionals. In order to achieve performance and growth in AUM and profitability, we are pursuing a strategy which includes the following key elements:

Continuing an Active Fundamental Investment Approach

Since 1985, our results demonstrate our core competence in event driven investing through market cycles. Our "Private Market Value (PMV) with a Catalyst™" investing approach remains the principal management philosophy guiding our investment operations. This method is based on investing principles articulated by Graham & Dodd, and further refined by our Executive Chairman, Mario J. Gabelli.

Growing our Investment Partnerships Advisory Business

We intend to grow our Investment Partnerships advisory operations by gaining share with existing products and introducing new products within our core competencies, such as event and merger arbitrage. In addition, we intend to grow internationally.

Capitalizing on Acquisitions and Alliances - Direct Investments

We intend to leverage our research and investment capabilities by pursuing acquisitions and alliances that will broaden our product offerings and add new sources of distribution. In addition, we may make direct investments in operating businesses using a variety of techniques and structures. For example, on September 22, 2020, Associated Capital announced the $175 million initial public offering of its special purpose acquisition corporation, PMV Consumer Acquisition Corp. (NYSE:PMVC). PMV Consumer Acquisition Corp. ("PMV") was created to pursue an initial business combination following the consumer globally with companies having an enterprise valuation in the range of $200 million to $3.5 billion.

Pursuing Partnerships and Joint Ventures

We plan to pursue partnerships and joint ventures with firms that fit with AC's product quality and that can provide Asian/European distribution capabilities that would complement our U.S. equity product expertise. We expect to target opportunities for investors interested in non-market correlated returns.

Competition

The alternative asset management industry is intensely competitive. We face competition in all aspects of our business from other managers in the United States and around the globe. We compete with alternative investment management firms, insurance companies, banks, brokerage firms and financial institutions that offer products that have similar features and investment objectives. Many of these investment management firms are subsidiaries of large diversified financial companies and may have access to greater resources than us. Many are larger in terms of AUM and revenues and, accordingly, have larger investment and sales organizations and related budgets. Historically, we have competed primarily on the basis of the long-term investment performance of our investment products. We have recently taken steps to increase our distribution channels, brand awareness and marketing efforts.

The market for providing investment management services to institutional and private wealth management clients is also highly competitive. Selection of investment advisors by U.S. institutional investors is often subject to a screening process and to favorable recommendations by investment industry consultants. Many of these investors require their investment advisors to have a successful and sustained performance record, often five years or longer, and focus on one-year and three-year performance records. Currently, we believe that our investment performance record would be attractive to potential new institutional and private wealth management clients. While we have significantly increased our AUM from institutional investors since our founding, no assurance can be given that our efforts to obtain new business will be successful.

Intellectual Property

Service marks and brand name recognition are important to our business. We have rights to the service marks under which our products are offered. We have rights to use the "Gabelli" name, and the "GAMCO" brand, pursuant to a non-exclusive, royalty-free license agreement we have entered into with GAMCO (the "Service Mark and Name License Agreement"). We can use these names with respect to our funds, collective investment vehicles, Investment Partnerships and other investment products pursuant to the Service Mark and Name License Agreement. The Service Mark and Name License Agreement has a perpetual term, subject to termination only in the event we are not in compliance with its quality control provisions. Pursuant to an assignment agreement signed in 1999, Mario J. Gabelli had assigned to GAMCO all of his rights, title and interests in and to the "Gabelli" name for use in connection with investment management services and institutional research services. In addition, the funds managed by Mario J. Gabelli outside GAMCO and AC have entered into a license agreement with GAMCO permitting them to continue limited use of the "Gabelli" name under specified circumstances.

Regulation

Virtually all aspects of our businesses are subject to federal, state and foreign laws and regulations. These laws and regulations are primarily intended to protect investment advisory clients and investors and the financial markets. Under such laws and regulations, agencies that regulate investment advisors have broad powers, including the power to limit, restrict or prohibit such an advisor from carrying on its business in the event that it fails to comply with such laws and regulations. In such an event, the possible sanctions that may be imposed include civil and criminal liability, the suspension of individual employees, injunctions, limitations on engaging in certain lines of business for specified periods of time, revocation of the investment advisor and other registrations, censures and fines.

Existing U.S. Regulation Overview

AC and certain of its U.S. subsidiaries are currently subject to extensive regulation, primarily at the federal level, by the SEC, the United States Department of Labor, and other regulatory bodies. Certain of our U.S. subsidiaries are also subject to anti-terrorist financing, privacy, and anti-money laundering regulations as well as economic sanctions laws and regulations established by these agencies.

The Advisers Act

GCIA is registered with the SEC under the Advisers Act and is regulated by and subject to examination by the SEC. The Advisers Act imposes numerous obligations on registered investment advisors including fiduciary duties, disclosure obligations and record keeping, operational and marketing requirements. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act, ranging from censure to termination of an investment advisor's registration. The failure of GCIA to comply with the requirements of the SEC could have a material adverse effect on us.

We derive substantially all of our revenues from investment advisory services under investment management agreements. Under the Advisers Act, our investment management agreements may not be assigned without the client's consent.

Employee Retirement Income Security Act of 1974 ("ERISA")

GCIA is subject to ERISA and to regulations promulgated thereunder, insofar as it is a "fiduciary" under ERISA with respect to certain of its clients. ERISA and applicable provisions of the Internal Revenue Code of 1986, as amended, impose certain duties on persons who are fiduciaries under ERISA and prohibit certain transactions involving ERISA plan clients. Our failure to comply with these requirements could have a material adverse effect on us.

Anti-Tax Evasion Legislation

Our global business may be impacted by the Foreign Account Tax Compliance Act ("FATCA") which was enacted in 2010 and introduced expansive new investor onboarding, withholding and reporting rules aimed at ensuring U.S. persons with financial assets outside of the United States pay appropriate taxes. In many instances, however, the precise nature of what needs to be implemented will be governed by bilateral Intergovernmental Agreements ("IGAs") between the United States and the countries in which we do business or have accounts. While many of these IGAs have been put into place, others have yet to be concluded.

The Organization for Economic Cooperation and Development ("OECD") has developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of information regarding financial accounts. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with partner jurisdictions on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. As a result, the Investment Partnerships will be required to report information on the investors of the Partnerships to comply with the CRS due diligence and reporting requirements, as adopted by the countries in which the Investment Partnerships are organized.

The FATCA and CRS rules will impact both U.S. and non-U.S. Investment Partnerships and separately managed accounts and subject us to extensive additional administrative burdens. Our business could also be impacted to the extent there are other changes to tax laws such as the recent tax reform legislation. Such changes could adversely affect our financial results.

The Patriot Act

The USA Patriot Act of 2001 contains anti-money laundering and financial transparency laws and mandates the implementation of various new regulations applicable to financial services companies, including standards for verifying client identification at account opening, and obligations to monitor client transactions and report suspicious activities. Anti-money laundering laws outside of the United States contain some similar provisions. Our failure to comply with these requirements as applicable to us could have a material adverse effect on us.

Laws and Other Issues Relating to Taking Significant Equity Stakes in Companies

Investments by AC, its affiliates, and those made on behalf of their respective advisory clients and Investment Partnerships often represent a significant equity ownership position in an issuer's equity. This may be due to the fact that AC is deemed to be a member of a "group" that includes GAMCO Investors, Inc. ("GAMCO"), an entity under common control with AC, and, therefore, may be deemed to beneficially own the securities owned by other members of the group under applicable securities regulations. As of December 31, 2020, by virtue of being a member of the group, AC was deemed to hold five percent or more beneficial ownership with respect to 80 equity securities. This activity raises frequent regulatory, legal and disclosure issues regarding our aggregate beneficial ownership level with respect to portfolio securities, including issues relating to issuers' stockholder rights plans or "poison pills;" various federal and state regulatory limitations, including (i) state gaming laws and regulations, (ii) federal communications laws and regulations; (iii) federal and state public utility laws and regulations, as well as federal proxy rules governing stockholder communications; and (iv) federal laws and regulations regarding the reporting of beneficial ownership positions. Our failure to comply with these requirements could have a material adverse effect on us.

Potential Legislation Relating to Private Pools of Capital

We manage a variety of private pools of capital, including hedge funds. Congress, regulators, tax authorities and others continue to explore increased regulation related to private pools of capital, including changes with respect to: investor eligibility; trading activities, record-keeping and reporting; the scope of anti-fraud protections; safekeeping of client assets; tax treatment; and a variety of other matters. AC may be materially and adversely affected by new legislation, rule-making or changes in the interpretation or enforcement of existing rules and regulations imposed by various regulators.

Existing European Regulation Overview

Alternative Investment Fund Managers Directive

Our European activities are impacted by the European Union's ("EU") Alternative Investment Fund Managers Directive ("AIFMD"). AIFMD regulates managers of, and service providers to, a broad range of alternative investment funds ("AIFs") domiciled within and, potentially, outside the EU. AIFMD also regulates the marketing of all AIFs inside the European Economic Area. AIFMD's requirements restrict AIF marketing and impose additional compliance and disclosure obligations on AC regarding items such as remuneration, capital requirements, leverage, valuation, stakes in EU companies, depositaries, domicile of custodians and liquidity management. These compliance and disclosure obligations and the associated risk management and reporting requirements will subject us to additional expenses.

Undertakings for Collective Investment in Transferable Securities

The EU has also adopted directives on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") impacting depositary functions, remuneration policies and sanctions. The latest initiative in this area, UCITS V, seeks to align the depositary regime, remuneration rules and sanctioning powers of regulators under the UCITS Directive with the requirements of AIFMD.

Similarly, the European Securities and Markets Authority recently revised its guidelines for exchange-traded and other UCITS funds. These guidelines introduced new collateral management requirements for UCITS funds concerning collateral received in the context of derivatives using Efficient Portfolio Management ("EPM") techniques (including securities lending) and over-the-counter derivative transactions. We are following the guidelines with respect to our collateral management arrangements applicable to the EPM of the UCITS funds for which GCIA acts as a sub-advisor. The costs of complying with increasing regulation in the EU may negatively impact the net performance of the UCITs fund that GCIA sub advises and therefore may result in decreased remuneration to GCIA for this sub advisory activity.

Markets in Financial Instruments Directive

The EU's revised Markets in Financial Instruments Directive ("MiFID II"), which was fully implemented in 2018, created specific new rules regarding the use of "soft dollars" to pay for research. A MiFID licensed investment firm that provides portfolio management services or independent investment advisory services to clients may not pay for third-party research with soft dollars generated through client trading activity. Research must be paid for either (i) by the investment firm out of its own resources or (ii) through a separate research payment account for each client to pay for the research. While currently GCIA is not directly subject to MiFID II: (a) GCIA may be invoiced separately by any EU brokers from whom it purchases research in the future; and (b) clients may begin to require that GCIA "unbundle" research payments from commission trading.

The Financial Conduct Authority ("FCA") currently regulates Gabelli Securities International (UK) Limited ("GSIL UK"), our MiFID licensed entity in the United Kingdom. Authorization by the FCA is required to conduct certain financial services-related business in the United Kingdom under the Financial Services and Markets Act 2000. The FCA's rules adopted under that Act provide requirements dealing with a firm's capital resources, senior management arrangements, conduct of business, interaction with clients and systems and controls. The FCA supervises GSIL UK through a combination of proactive engagement, event-driven and reactive supervision and thematic-based reviews in order to monitor our compliance with regulatory requirements. Breaches of the FCA's rules may result in a wide range of disciplinary actions against GSIL and/or its employees.

Clients whose assets we manage in the EU are additionally subject to EU regulations on OTC derivatives which require (i) the central clearing of standardized OTC derivatives, (ii) the application of risk-mitigation techniques to non-centrally cleared OTC derivatives and (iii) the reporting of all derivative contracts.

Brexit Impact

Through The European Union (Withdrawal) Act of 2018, GSIL UK remains subject to the requirements of MiFID II as in effect on December 31, 2020 (the "Transition End Date"). MiFID II, sets out detailed requirements governing the organization and conduct of business of investment firms and regulated markets. MiFID II also includes pre- and post-trade transparency requirements for equity markets and extensive transaction reporting requirements. In addition, relevant entities must comply with revised obligations on capital resources for banks and certain investment firms set out in the Capital Requirements Directive. This directive includes requirements not only on capital, but also governance and remuneration as well. The obligations introduced through these directives have a direct effect on some of our European operations. The Company cannot assure you the extent to which the future amendments to or replacement of MiFID II or other EU regulations will be adopted into UK law and continue to apply to GSIL UK after the Transition End Date.

Regulatory Matters Generally

The investment management industry is likely to continue to face a high level of regulatory scrutiny and to become subject to additional rules designed to increase disclosure, tighten controls and reduce potential conflicts of interest. In addition, the SEC has substantially increased its use of focused inquiries which request information from investment advisors regarding particular practices or provisions of the securities laws. We participate in some of these inquiries in the normal course of our business. Changes in laws, regulations and administrative practices by regulatory authorities, and the associated compliance costs, have increased our cost structure and could in the future have a material adverse impact. Although we have installed procedures and utilize the services of experienced administrators, accountants and lawyers to assist us in adhering to regulatory guidelines and satisfying these requirements, and maintain insurance to protect ourselves in the case of client losses, there can be no assurance that the precautions and procedures that we have instituted and installed, or the insurance that we maintain to protect ourselves in case of client losses, will protect us from all potential liabilities.

Employees

On March 1, 2021, we had a full-time staff of 25 teammates, of whom 8 served in the portfolio management, research and trading areas, 8 served in the marketing and shareholder servicing areas and 9 served in the finance, legal, operations and administrative areas. We also avail ourselves of services provided by GAMCO in accordance with a transitional services agreement that was entered into with GAMCO as part of the Spin-off.

Status as a Smaller Reporting Company

We are a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K. As a result, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "smaller reporting companies." On March 12, 2020 the SEC finalized amendments to the definitions of "accelerated" and "large accelerated filer". The amendments increase the threshold criteria for meeting these categories and were effective on April 27, 2020 and apply to annual reports due on or after such effective date. Prior to these changes, Associated Capital was designated as a "smaller reporting company" and an "accelerated" filer as we had more than $75 million in public float but less than $700 million at the end of Associated Capital's most recent second quarter. The rule changed the definition of "accelerated filer" and expands the category of "non-accelerated filer" to include entities with public float of less than $700 million and less than $100 million in annual revenues. Associated Capital meets the new definition of non-accelerated filer while continuing to qualify as a "smaller reporting company", and will no longer be considered an accelerated filer. The categorization of "accelerated" or "large accelerated filer" determines the requirement for a public company to obtain an auditor attestation of its internal control over financial reporting. Non-accelerated filers also have additional time to file quarterly and annual reports. All public companies are required to obtain and file annual financial statements audits as well as provide management's assertion on the effectiveness of internal controls over financial reporting, but the external auditor attestation of internal control over financial reporting is not required for non-accelerated filers like us.

We may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we qualify as a smaller reporting company.

We ceased to be an emerging growth company after December 31, 2020.

Our website address is www.associated-capital-group.com. Information on our website is not incorporated by reference herein and is not part of this report. We provide a link on our website to the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission ("Commission" or "SEC"): our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All such filings on our website are available free of charge. In addition, these reports and the other documents we file with the SEC are available at www.sec.gov.

ITEM 1A: RISK FACTORS

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

ITEM 1B: UNRESOLVED STAFF COMMENTS

None.

ITEM 2: PROPERTIES

Our offices are owned by a wholly owned subsidiary of AC and are located at 191 Mason Street, Greenwich, CT 06830. In addition, AC acquired 3 St. James Place, London, UK on March 3, 2020 which is fully leased to GAMCO.

During 2020, AC paid $143,520 to GAMCO pursuant to a sublease based on the percentage of square footage occupied by several AC teammates (including pro rata allocation of common space) at GAMCO's offices at One Corporate Center, in Rye, NY prior to the relocation to the new headquarters.

ITEM 3: 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 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 amounts, both those that are probable and those that are reasonably possible, are not material to the Company's consolidated financial condition, operations, or cash flows at December 31, 2020. See also Note L, *Guarantees, Contingencies and Commitments*, to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5: MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for our Stock, Dividends and Stock Repurchase Program

Shares of our Class A Stock are traded on the New York Stock Exchange under the symbol AC.

As of February 1, 2021, there were 115 and 21 holders of record of the Company's Class A and Class B common stock, respectively. These figures do not include beneficial holders of Class A shares held in "street" name at various brokerage firms.

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 provides information for our repurchase of our Class A Stock during the quarter ended December 31, 2020:

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
10/01/20 - 10/31/20	27,668	$ 33.93	27,668	924,203
11/01/20 - 11/30/20	5,064	35.25	5,064	919,139
12/01/20 - 12/31/20	26,037	35.69	26,037	893,102
Totals	58,769	$ 34.82	58,769	

We have adopted the 2015 Stock Award and Incentive Plan (the "Equity Compensation Plan"). A maximum of 2.0 million shares of Class A Stock have been reserved for issuance as approved by the Company's stockholders at the annual meeting of stockholders held on May 3, 2016. The Company withdrew the registration statement covering the issuance of those shares as of December 29, 2017.

During 2018, the Company awarded 172,800 Phantom Restricted Stock Awards ("Phantom RSAs") under the Equity Compensation Plan. During 2020, 23,000 Phantom RSA's were terminated or forfeited by teammates who transferred to Morgan Group Holdings Co. On December 28, 2020 the Company awarded an additional 66,850 Phantom RSA's. As of December 31, 2020, 155,500 awarded but unvested Phantom RSAs are outstanding.

The number of shares remaining available for future issuance under equity compensation plans is 1,303,900.

ITEM 6: SELECTED FINANCIAL DATA

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

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced in China and has since spread quickly to numerous countries, including the United States. On March 11, 2020, COVID-19 was identified as a global pandemic by the World Health Organization. In response to its spread, governmental authorities have imposed restrictions on travel and congregation and the temporary closure of many non-essential businesses in affected jurisdictions, including, beginning in March 2020, in the United States. As world leaders focused on the unprecedented human and economic challenges of COVID-19, global equity markets plunged as the coronavirus pandemic spread. In March, the unfolding events led to the worst month for stocks since 2008 and the worst first quarter since 1937. In the remainder of the year, as a result of unprecedented fiscal and monetary stimulus and the fast tracking of potential COVID-19 vaccines, some of which have been approved and have begun to be distributed, the markets have rebounded strongly. The pandemic and resulting economic dislocations did not have a significant adverse impact on our AUM. As a result of this pandemic, the majority of our employees ("teammates") are working remotely.

However, there has been no material impact of remote work arrangements on our operations, including our financial reporting systems, internal control over financial reporting, and disclosure controls and procedures, and there has been no material challenge in implementing our business continuity plan.

The COVID-19 pandemic has had no material impact on our operations, including our financial reporting systems, internal control over financial reporting, and disclosure controls and procedures. There has been no material challenge in implementing our business continuity plan. AC paid the premiums for all teammates enrolled in our healthcare plans during May and from July 1 to December 31, 2020.

Financial Highlights

The following is a summary of the Company's financial performance for the Quarters and Years ended December 31, 2020 and 2019:

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

	Fourth Quarter		Full Year	
	2020	**2019**	**2020**	**2019**
AUM - end of period (in millions)	$ 1,351	$ 1,716	$ 1,351	$ 1,716
Average AUM (in millions)	1,286	1,688	1,399	1,621
Net income per share – diluted	$ 2.29	$ 0.49	$ 0.84	$ 1.74
Book Value Per Share	$ 40.36	$ 39.89	$ 40.36	$ 39.89

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 dynamics created by COVID-19 and its impact on the global supply chain and banks, oil, travel and leisure, we could experience higher volatility in 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 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 equal to 10% of adjusted aggregate pre-tax profits paid to the Executive Chairman 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/(loss) 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 A and E in our consolidated financial statements included elsewhere in this report.

Consolidated Statements of Financial Condition

We ended 2020 with approximately $911 million in cash and investments, net of securities sold, not yet purchased of $18 million. This includes $40 million of cash and cash equivalents; $344 million of short-term U.S. Treasury obligations; $232 million of securities, net of securities sold, not yet purchased, including shares of GAMCO with a market value of $49 million; and $295 million invested in affiliated and third-party funds and partnerships, including investments in affiliated closed end funds which have a value of $107 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 million or $40.36 per share as of December 31, 2020, compared to $896 million or $39.89 per share as of the prior year-end. Shareholders' equity per share is calculated by dividing the total equity by the number of common shares outstanding. The increase in equity from the end of 2019 was largely attributable to investment income for the year.

Assets Under Management Highlights

We reported assets under management as follows (dollars in millions):

	Year Ended December 31, 2020	2019	% Change
Event Merger Arbitrage	$ 1,126	$ 1,525	(26.2)
Event-Driven Value	180	132	36.4
Other	45	59	(23.7)
Total (a)	$ 1,351	$ 1,716	(21.3)

(a) Includes $235 million and $259 million of proprietary capital, respectively.

Changes in our AUM during 2020 were as follows (dollars in millions):

	Year Ended December 31, 2020				
	Beginning	Inflows	Outflows	Investment Return	Ending
Event Merger Arbitrage	$ 1,525	$ 212	$ (690)	$ 79	$ 1,126
Event-Driven Value	132	64	(19)	3	180
Other	59	1	(18)	3	45
Total AUM	$ 1,716	$ 277	$ (727)	$ 85	$ 1,351

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 declined on a net basis by $450 million for the year ended December 31, 2020 (primarily due to the redemption by one institutional client following its merger) offset by $85 million in market appreciation.

Operating Results for the Year Ended December 31, 2020 as Compared to the Year Ended December 31, 2019

Revenues

Total revenues were $19.0 million for the year ended December 31, 2020, $3.2 million lower than total revenues of $22.2 million for the year ended December 31, 2019. Total revenues by type were as follows (dollars in thousands):

	Year Ended December 31, 2020	2019	Change $	%
Investment advisory and incentive fees	$ 18,288	$ 22,148	$ (3,860)	(17.4)
Other revenues	695	57	638	1,119.3
Total revenues	$ 18,983	$ 22,205	$ (3,222)	(14.5)

Investment advisory and incentive fees: We earn advisory fees based on our AUM. Investment advisory fees are directly influenced by the amount of average AUM and the fee rates applicable to various accounts.

Advisory and incentive fees were $18.3 million for 2020 compared to $22.1 million for 2019, a decrease of $3.8 million. This decrease is the result of the lower average AUM over the period.

Incentive fees are directly related to the gains generated for our clients' accounts. We earn a percentage, usually 20%, of such gains. Incentive fees were $10.5 million in 2020, down $0.7 million from $11.2 million in 2019, due to lower assets under management offset by superior investment performance.

Other revenues: Other revenues were $0.7 million for 2020 compared to $0.1 million for 2019, an increase of $0.6 million due primarily to sublet income of owned properties.

Expenses

Compensation: Compensation, which includes variable compensation, salaries, bonuses and benefits, was $19.4 million for the year ended December 31, 2020, a decrease of $4.4 million from $23.8 million for the year ended December 31, 2019. Fixed compensation expense, which includes salaries, bonuses and benefits, decreased to $9.5 million in 2020 from $10.5 million in 2019. The remainder of compensation expense represents variable compensation that fluctuates with management and incentive fee revenues as well as the investment results of certain proprietary accounts. Variable payouts are also impacted by the mix of products upon which performance fees are earned and the extent to which they may exceed their allocated costs. For 2020, these variable payouts (based on the investment performance of the products with incentive fees) were $9.9 million, a decrease of $3.4 million from $13.3 million in 2019.

Stock-based compensation, which primarily consists of awards accounted for as liabilities, was ($0.2) million in 2020, a decrease of $1.6 million from $1.4 million recorded in 2019 due to declines in the Company's share price.

Management fees: Management fee expense is incentive-based and entirely variable compensation equal to 10% of the aggregate adjusted pre-tax profits, which is paid to the Executive Chairman or his designees pursuant to his employment agreement with AC. In 2020 and 2019, AC recorded management fee expense of $3.1 million and $5.7 million, respectively.

Other operating expenses: Our other operating expenses were $8.9 million in 2020 compared to $5.9 million in 2019, an increase of $3.0 million due to primarily higher professional fees of $1.0 million.

Investment and other non-operating income/(expense), net

Net gain/(loss) from investments: Net gain/(loss) from investments is directly related to the performance of our proprietary portfolio. For the year ended December 31, 2020, net gains from investments were $36.9 million compared to $60.8 million in the prior year primarily due to mark-to-market changes in our investments.

Interest and dividend income: Interest and dividend income decreased to $8.7 million in 2020 from $13.2 million in 2019 due to lower interest rates on money market and US Treasury obligations.

Interest expense: Interest expense remained unchanged at $0.2 million for 2020 and 2019.

Income Taxes

In 2020, we recorded an income tax expense of $9.4 million resulting in an effective tax rate ("ETR") of 31.4%. The 2020 ETR is above the standard corporate tax rate of 21% primarily from state income taxes, a valuation allowance on the carryforward of charitable contributions and foreign investments. In 2019, we recorded an income tax expense of $12.6 million resulting in an ETR of 22.1%. The 2019 ETR is above the standard corporate tax rate of 21% primarily due to state income taxes and a valuation allowance on carryforward of charitable contributions. In addition, the Company recorded a valuation allowance of $1.8 million and $1.4 million against deferred tax assets attributable to charitable contribution carryovers as of December 31, 2020 and 2019, respectively.

Noncontrolling Interests

Net income attributable to noncontrolling interests was $1.0 million in 2020 compared to $3.5 million in 2019. The decrease of $2.5 million was driven primarily by decreased earnings from a UK Partnership.

Net Income/(Loss)

Net income for the year ended December 31, 2020 was $18.8 million compared to net income of $39.2 million for the prior year. The change was primarily driven by lower gains on our investment portfolio primarily driven by the COVID-19 pandemic.

Liquidity and Capital Resources

Our principal assets consist of cash and cash equivalents; short-term treasury securities; marketable securities, primarily equities, including 2.8 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):

	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows provided by (used in) from continuing operations:		
Operating activities	$ (279,483)	$ (41,964)
Investing activities	(174,072)	(5,058)
Financing activities	150,949	(11,584)
Net decrease from continuing operations	(302,606)	(58,606)
Cash flows provided by (used in) discontinued operations:		
Operating activities	114	(2,370)
Net decrese in cash and cash equivalents	(302,492)	(60,976)
Cash and cash equivalents at beginning of period	342,001	402,977
Cash and cash equivalents at end of period	$ 39,509	$ 342,001

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 December 31, 2020, we had cash and cash equivalents of $39.5 million, investments in U.S. Treasury Bills of $344.4 and $527.0 million of investments net of securities sold, not yet purchased of $17.6 million. Included in cash and cash equivalents are $7.2 million and $13.1 million as of December 31, 2020 and 2019, respectively, which were held by consolidated investment funds and may not be readily available for the Company to access.

Net cash used in operating activities from continuing operations was $279.5 million in 2020 due to $295.8 million increases in trading securities, including $315.4 million of net purchases of U.S. Treasury Bills, $10.7 of net income adjusted for noncash items, primarily unrealized gains on securities and equity in net gains from partnerships, net distributions from Investment Partnerships of $31.0 million and increases in net receivables/payables of $4.0 million.

Net cash used in operating activities from continuing operations was $42.0 million in 2019. Our net income adjusted for noncash items, primarily unrealized gains on securities and deferred income taxes was $5.4 million, net contributions to Investment Partnerships of $16.5 million along with a decrease in net receivables/payables of $14.6 million. This was more than offset by increases in investments in trading securities of $45.4 million.

Net cash used in investing activities from continuing operations was $174.1 million in 2020 due to the investment of cash in a trust account by the PMV SPAC of $175 million, the purchase of our building in London for $11.1 million and purchases of securities of $2.7 million partially offset by proceeds from sales of securities of $13.1 million and return of capital on securities of $1.6 million.

Net cash used in investing activities from continuing operations was $5.1 million in 2019 due to the purchase of our building in Greenwich, CT for $6.5 million and purchases of securities of $5.0 million partially offset by proceeds from sales of securities of $4.9 million, return of capital on securities of $0.9 million, and cash received in acquisition of Morgan Group $0.6 million.

Net cash provided by financing activities from continuing operations was $150.9 million resulting from contributions from redeemable non-controlling interests of $162.6 million primarily related to contributions to PMV SPAC and nonredeemable non-controlling interests of $2.4 million reduced by dividends paid of $6.7 million and stock buyback payments of $7.4 million. Cash provided by discontinued operations from the spin-off of Morgan Group was $0.1 million.

Net cash used in financing activities from continuing operations was $11.5 million in 2019 largely resulting from dividends paid of $4.5 million, share repurchases of $4.1 million and redemptions to consolidated funds of $2.9 million. Cash used by discontinued operations from the spin-off of Morgan Group was $2.4 million.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

In the ordinary course of business, we make a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”). We base our estimates on historical experience, when available, and on other various assumptions that are believed to be reasonable under the circumstances. Actual results could differ significantly from those estimates under different assumptions and conditions.

We believe that the following critical accounting policies require management to exercise significant judgment:

Major Revenue-Generating Services and Revenue Recognition

The Company’s revenues are derived primarily from investment advisory and incentive fees.

Investment advisory and incentive fees are directly influenced by the level and mix of AUM as fees are derived from a contractually-determined percentage of the balance of each account as well as a percentage of the investment performance of certain accounts. Management fees from Investment Partnerships and offshore funds are computed either monthly or quarterly, and amounts receivable are included in investment advisory fees receivable on the consolidated statements of financial condition. These revenues vary depending upon the level of capital flows, financial market conditions, investment performance and the fee rates applicable to each account.

Incentive allocations or fees are generally recognized at the end of an annual measurement period and amounts receivable are included in investment advisory fees receivable on the consolidated statements of financial condition.

See Note C, Revenue, in the consolidated financial statements for additional information.

Investments in Securities

Investments in securities are a recorded at fair value in the statements of financial condition in accordance with U.S. GAAP. Securities transactions and any related gains and losses are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the specific identified cost basis and are included in gain/(loss) from investments, net on the consolidated statements of income.

Management determines the appropriate classification of securities at the time of purchase. Debt with maturities of greater than three months at the time of purchase are considered investments in debt securities. The Company has investments in debt securities accounted for as trading and also investments in U.S Treasury Bills held in trust by PMV which are accounted for as held to maturity.

Securities sold, but not yet purchased are recorded on the trade date, and are stated at fair value and represent obligations of AC to purchase the securities at prevailing market prices. Therefore, the future satisfaction of such obligations may be for an amount greater or less than the amounts recorded on the consolidated statements of financial condition. The ultimate gains or losses recognized are dependent upon the prices at which these securities are purchased to settle the obligations under the sales commitments. Unrealized gains and losses and realized gains and losses from covers of securities sold, not yet purchased transactions are included in net gain/(loss) from investments on the consolidated statements of income.

Consolidation

The Company assesses all entities with which it is involved for consolidation on a case by case basis depending on the specific facts and circumstances surrounding each entity. Pursuant to accounting guidance, the Company first evaluates whether it holds a variable interest in an entity. The Company considers all economic interests, including proportionate interests through related parties, to determine if such interests are to be considered a variable interest. Fees paid to the Company that are customary and commensurate with the level of services provided from entities in which the Company does not hold other economic interests in the entity are not considered as a variable interest.

For any entity where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether it qualifies as a variable interest entity (“VIE”).

The granting of substantive kick-out rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated. The Company evaluates consolidation on a case by case basis those VIEs in which substantive kick-out rights have been granted to the unaffiliated investors to either dissolve the fund or remove the general partner.

Under the variable interest entity model, the Company consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (a) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and (b) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. If the Company alone is not considered to have a controlling financial interest in the VIE but the Company and its related parties under common control in the aggregate have a controlling financial interest in the VIE, the Company will be deemed to be the primary beneficiary if it is the party that is most closely associated with the VIE. When the Company and its related parties not under common control in the aggregate have a controlling financial interest in a VIE, the Company would be deemed to be the primary beneficiary if substantially all the activities of the entity are performed on behalf of the Company.

The Company determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion as required. Investments and redemptions (either by the Company, related parties of the Company or third parties) or amendments to the governing documents of the respective entity may affect an entity’s status as a VIE or the determination of the primary beneficiary.

Entities that do not qualify as VIEs are assessed for consolidation as voting interest entities (“VOEs”) under the voting interest model. The Company evaluates whether the entity should be evaluated under the guidance for partnerships and similar entities, or corporations, and consolidates those entities it controls through a majority voting interest or other means. If the Company is the general partner or managing member it generally will not be required to consolidate a VOE.

The Company records noncontrolling interests in consolidated Investment Partnerships for which the Company’s ownership is less than 100%.

See Note E, *Investment Partnerships and Other Entities* in the consolidated financial statements for additional information.

Investments in Partnerships and Affiliates

The Company is general partner or co-general partner of various managed funds. We also have investments in unaffiliated partnerships, offshore funds and other entities (collectively, "investments in partnerships and affiliates"). The Company accounts for its investments in partnerships and affiliates under the equity method. Substantially all of the Company's equity method investees are entities that record their underlying investments at fair value and included in investments in partnerships. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investee's underlying net income or loss is based upon the most currently available information and is recorded as net gain/(loss) from investments on the consolidated statements of income. Capital contributions are recorded as an increase in investments when paid, and withdrawals and distributions are recorded as reductions of the investments when received. Depending on the terms of the investment, the Company may be restricted as to the timing and amounts of withdrawals.

Income Taxes

For purposes of the preparation of the consolidated financial statements, the provision for income taxes is computed using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts on the consolidated financial statements using the statutory tax rates in effect for the year when the reported amount of the asset or liability is expected to be recovered or settled, respectively. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying values of deferred tax assets to the amount that is more likely than not to be realized. For each tax position taken or expected to be taken in a tax return, the Company determines whether it is more likely than not that the position will be sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation. A tax position that meets the more likely than not recognition threshold is measured to determine the amount of benefit to recognize. The tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The Company recognizes the accrual of interest on uncertain tax positions and penalties in the income tax provision on the consolidated statements of income.

Recent Accounting Developments

See Note B, Significant Accounting Policies – Recent Accounting Developments, in the consolidated financial statements.

Seasonality and Inflation

We do not believe that our operations are subject to significant seasonal fluctuations. We do not believe inflation will significantly affect our compensation costs, as they are substantially variable in nature. The rate of inflation may affect certain other expenses, however, such as information technology and occupancy costs. To the extent inflation results in rising interest rates and has other effects upon the securities markets, it may adversely affect our financial position and results of operations by reducing our AUM, revenues or otherwise.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission that are not required under the related instructions or are inapplicable have been omitted.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Associated Capital Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of Associated Capital Group, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, equity and cash flows, for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/S/ Deloitte & Touche, LLP

Stamford, Connecticut

March 23, 2021
We have served as the Company's auditor since 2015.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenues		
Investment advisory and incentive fees	$ 18,288	$ 22,148
Other revenues	695	57
Total revenues	18,983	22,205
Expenses		
Compensation	19,436	23,810
Management fee	3,101	5,713
Other operating expenses	8,915	5,942
Total expenses	31,452	35,465
Operating loss	(12,469)	(13,260)
Other income/(expense)		
Net gain from investments	36,864	60,766
Interest and dividend income	8,675	13,214
Interest expense	(180)	(216)
Shareholder-designated contribution	(3,007)	(3,281)
Total other income, net	42,352	70,483
Income before income taxes	29,883	57,223
Income tax expense	9,374	12,627
Income from continuing operations, net of taxes	20,509	44,596
Income/(loss) from discontinued operations, net of taxes	(632)	(1,890)
Income before noncontrolling interests	19,877	42,706
Income attributable to noncontrolling interests	1,061	3,518
Net income attributable to Associated Capital Group, Inc.'s shareholders	$ 18,816	$ 39,188
Net income/(loss) per share attributable to Associated Capital Group, Inc.'s shareholders:		
Basic - Continuing operations	$ 0.87	$ 1.82
Basic - Discontinued operations	(0.03)	(0.08)
Basic - Total	$ 0.84	$ 1.74
Diluted - Continuing operations	$ 0.87	$ 1.82
Diluted - Discontinued operations	(0.03)	(0.08)
Diluted - Total	$ 0.84	$ 1.74
Weighted average shares outstanding:		
Basic	22,369	22,534
Diluted	22,369	22,534
Actual shares outstanding	22,274	22,475

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

	Year Ended December 31,	
	2020	2019
Net income before non-controlling interests	$ 19,877	$ 42,706
Less: Comprehensive income/(loss) attributable to noncontrolling interests	1,061	3,518
Comprehensive income/(loss) attributable to Associated Capital Group, Inc.	$ 18,816	$ 39,188

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands, except per share data)

		December 31, 2020		December 31, 2019
ASSETS				
Cash and cash equivalents	$	39,509	$	342,001
Investments in U.S. Treasury Bills		344,453		29,037
Investments in equity securities (Including GBL stock with a value of $48.9 million and $57.2 million, respectively)		249,887		271,320
Investments in affiliated registered investment companies		170,605		159,311
Investments in partnerships		123,994		145,372
Receivable from brokers		24,677		23,141
Investment advisory fees receivable		7,346		9,582
Receivable from affiliates		4,743		4,338
Deferred tax assets, net		2,207		1,820
Goodwill		3,519		3,519
Other assets		28,565		13,328
Investments in U.S. Treasury Bills held in trust		175,040		-
Assets of discontinued operations		-		8,137
Total assets	$	1,174,545	$	1,010,906
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY				
Payable to brokers	$	6,496	$	14,889
Income taxes payable, net		9,746		3,622
Compensation payable		18,567		19,536
Securities sold, not yet purchased		17,571		16,419
Payable to affiliates		2,188		483
Accrued expenses and other liabilities		5,635		6,037
Deferred underwriting fee payable		6,125		
Liabilities of discontinued operations (including payable to affiliates $986)		-		2,100
Total liabilities		66,328		63,086
Redeemable noncontrolling interests		206,828		50,385
Commitments and contingencies (Note L)				
Equity:				
Preferred stock, $.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 and 6,569,254 shares issued, respectively; 3,311,127 and 3,452,381 shares outstanding, respectively		6		6
Class B Common Stock, $0.001 par value; 100,000,000 shares authorized; 19,196,792 shares issued; 18,962,918 and 19,022,918 shares outstanding, respectively		19		19
Additional paid-in capital		999,047		1,003,450
Retained earnings/(Accumulated Deficit)		13,649		(701)
Treasury stock, at cost (3,318,127 and 3,116,873 shares, respectively)		(113,783)		(106,342)
Total Associated Capital Group, Inc. equity		898,938		896,432
Noncontrolling interests (from discontinued operations in 2019)		2,451		1,003
Total equity		901,389		897,435
Total liabilities and equity	$	1,174,545	$	1,010,906

As of December 31, 2020 and 2019, certain balances include amounts related to consolidated variable interest entities (“VIEs”) and voting interest entities (“VOEs”). See Footnote E.

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

(Dollars in thousands, except per share data)
For the three months ended March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020

	Associated Capital Group, Inc. shareholders							
	Common Stock	Retained Earnings/ (Accumulated Deficit)	Additional Paid-in Capital	Treasury Stock	Total	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2019	$ 25	$ (701)	$ 1,003,450	$ (106,342)	$ 896,432	$ 1,003	$ 897,435	$ 50,385
Redemptions of noncontrolling interests	-	-	-	-	-	-		(531)
Net income/(loss)	-	(73,355)	-	-	(73,355)	(52)	(73,407)	(3,945)
Purchase of treasury stock	-	-	-	(3,225)	(3,225)	-	(3,225)	-
Balance at March 31, 2020	$ 25	$ (74,056)	$ 1,003,450	$ (109,567)	$ 819,852	$ 951	$ 820,803	$ 45,909
Redemptions of noncontrolling interests	-	-	-	-	-	-		(1,167)
Net income/(loss)	-	35,237	-	-	35,237	(48)	35,189	2,436
Dividends declared ($0.10 per share)	-	(2,237)	-	-	(2,237)	-	(2,237)	-
Purchase of treasury stock	-	-	-	(1,068)	(1,068)	-	(1,068)	-
Balance at June 30, 2020	$ 25	$ (41,056)	$ 1,003,450	$ (110,635)	$ 851,784	$ 903	$ 852,687	$ 47,178
Contributions from noncontrolling interests	-	-	-	-	-	-		156,049
Spin-off of MGHL	-	-	(4,403)	-	(4,403)	(903)	(5,306)	-
PMV Sponsor members’ interest	-	-	-	-	-	2,072	2,072	
Net income/(loss)	-	5,815	-	-	5,815	-	5,815	937
Purchase of treasury stock	-	-	-	(1,101)	(1,101)	-	(1,101)	-
Balance at September 30, 2020	$ 25	$ (35,241)	$ 999,047	$ (111,736)	$ 852,095	$ 2,072	$ 854,167	$ 204,164
Contributions from noncontrolling interests	-	-	-	-	-	-		1,031
PMV Sponsor members’ interest	-	-	-	-	-	379	379	
Net income/(loss)	-	51,120	-	-	51,120	-	51,120	1,633
Dividends declared ($0.10 per share)	-	(2,230)	-	-	(2,230)	-	(2,230)	-
Purchase of treasury stock	-	-	-	(2,047)	(2,047)	-	(2,047)	-
Balance at December 31, 2020	$ 25	$ 13,649	$ 999,047	$ (113,783)	$ 898,938	$ 2,451	$ 901,389	$ 206,828

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

(Dollars in thousands, except per share data)
For the three months ended March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019

	Associated Capital Group, Inc. shareholders							
	Common Stock	Accumulated Deficit	Additional Paid-in Capital	Treasury Stock	Total	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2018	$ 25	$ (39,889)	$ 1,008,319	$ (102,207)	$ 866,248	$ -	$ 866,248	$ 49,800
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(526)
Net income/(loss)	-	23,147	-	-	23,147	-	23,147	1,507
Purchase of treasury stock	-	-	-	(391)	(391)	-	(391)	-
Balance at March 31, 2019	$ 25	$ (16,742)	$ 1,008,319	$ (102,598)	$ 889,004	$ -	$ 889,004	$ 50,781
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(2,197)
Net income/(loss)	-	(932)	-	-	(932)	-	(932)	1,084
Dividends declared ($0.10 per share)	-	-	(2,254)	-	(2,254)	-	(2,254)	-
Purchase of treasury stock	-	-	-	(1,630)	(1,630)	-	(1,630)	-
Balance at June 30, 2019	$ 25	$ (17,674)	$ 1,006,065	$ (104,228)	$ 884,188	$ -	$ 884,188	$ 49,668
Contributions to noncontrolling interests	-	-	-	-	-	-	-	390
Net income/(loss)	-	5,951	-	-	5,951	-	5,951	(359)
Purchase of treasury stock	-	-	-	(1,342)	(1,342)	-	(1,342)	-
Balance at September 30, 2019	$ 25	$ (11,723)	$ 1,006,065	$ (105,570)	$ 888,797	$ -	$ 888,797	$ 49,699
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(676)
Net income/(loss)	-	11,022	-	-	11,022	-	11,022	1,362
Morgan merger	-	-	(367)	-	(367)	1,003	636	
Dividends declared ($0.10 per share)	-	-	(2,248)	-	(2,248)	-	(2,248)	-
Purchase of treasury stock	-	-	-	(772)	(772)	-	(772)	-
Balance at December 31, 2019	$ 25	$ (701)	$ 1,003,450	$ (106,342)	$ 896,432	$ 1,003	$ 897,435	$ 50,385

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended December 31, 2020	2019
Operating activities		
Net income/(loss)	$ 19,877	$ 42,706
Less: (Loss) from discontinued operations, net of taxes	(632)	(1,890)
Income from continuing operations	20,509	44,596
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Equity in net (gains) from partnerships	(15,000)	(10,173)
Depreciation and amortization	52	19
Deferred income taxes	(209)	7,090
Donated securities	891	2,152
Unrealized (gains)/losses on securities	(20,213)	(38,367)
Realized losses on sales of securities	3,299	56
(Increase)/decrease in assets:		
Investments in trading securities	(295,795)	(45,439)
Investments in partnerships:		
Contributions to partnerships	(4,829)	(28,071)
Distributions from partnerships	35,847	11,603
Receivable from affiliates	(405)	(3,049)
Receivable from brokers	(1,535)	1,093
Investment advisory fees receivable	2,236	(5,188)
Income taxes receivable	(177)	-
Other assets	(4,206)	3,662
Increase/(decrease) in liabilities:		
Payable to affiliates	1,705	(799)
Payable to brokers	(8,393)	9,378
Income taxes payable and deferred tax liabilities, net	6,176	204
Compensation payable	(970)	9,589
Accrued expenses and other liabilities	1,534	(320)
Total adjustments	(299,992)	(86,560)
Net cash provided by/(used in) operating activities	(279,483)	(41,964)
Investing activities		
Purchases of securities	(2,749)	(4,989)
Proceeds from sales of securities	13,115	4,928
Return of capital on securities	1,646	932
Purchase of building	(11,084)	(6,518)
Investment in government securities held in trust account	(175,000)	589
Net cash provided by/(used in) investing activities	$ (174,072)	$ (5,058)

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued) (Dollars in thousands)

	Year Ended December 31,	
	2020	**2019**
Financing activities		
Contributions from redeemable noncontrolling interests	$ 162,655	$ -
Redemptions of redeemable noncontrolling interests	-	(2,934)
Dividends paid	(6,716)	(4,513)
Purchase of treasury stock	(7,441)	(4,135)
Contributions from nonredeemable noncontrolling interests	2,451	-
Proceeds from promissory note from Executive Chairman	-	2,124
Repayment of promissory note to Executive Chairman	-	(2,126)
Net cash provided by (used in) financing activities	150,949	(11,584)
Cash flows of discontinued operations		
Net cash provided by (used in) operating activities	114	(2,370)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(302,492)	(60,976)
Cash, cash equivalents and restricted cash at beginning of period	342,001	402,977
Cash, cash equivalents and restricted cash at end of period	$ 39,509	$ 342,001
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 177	$ 196
Cash paid/(received) for taxes	$ 2,000	$ 4,700

Non-cash activity:
- On September 21, 2020 a deferred underwriting fee of $6.1 million was recorded.
- On December 30, 2020 equity securities in the amount of $4.2 million were distributed from investments in partnerships to investments in equity securities.

See accompanying notes.

A. Organization

Unless we have indicated otherwise, or the context otherwise requires, references in this report to "Associated Capital Group, Inc.," "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.

GCIA 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 in equity event-driven value strategies, across a range of risk and event arbitrage portfolios. 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").

We may make direct investments in operating business using a variety of techniques and structures. For example, in April 2018, the Company sponsored a €110 million initial public offering of its first special purpose acquisition corporation, the Gabelli Value for Italy S.p.a., an Italian company listed on the London Stock Exchange's Borsa Italiana AIM segment under the symbol "VALU". VALU was created to acquire a small-to medium-sized Italian franchise business with the potential for international expansion, particularly in the United States. Gabelli Value for Italy S.p.a was subsequently liquidated on July 8, 2020 at the apex of the pandemic in Italy.

PMV Consumer Acquisition Corp.

On September 22, 2020, Associated Capital announced the $175 million initial public offering of its special purpose acquisition corporation, PMV Consumer Acquisition Corp. (NYSE:PMVC).

PMV Consumer Acquisition Corp. ("PMV") was created to pursue an initial business combination following the consumer globally with companies having an enterprise valuation in the range of $200 million to $3.5 billion. PMV Consumer Acquisition Holding Company, LLC ("Sponsor") was created to assist PMV in sourcing, analyzing and consummating acquisition opportunities for that initial business combination.

The Sponsor and PMV have been consolidated in the financial statements of AC beginning in September 2020 because AC has a controlling financial interest in these entities. This resulted in the consolidation $177.3 million of assets, $6.3 million of liabilities, $166.0 million of redeemable noncontrolling interests, $2.4 million of noncontrolling interests relating to PMV and the Sponsor as of December 31, 2020. In addition, there are several other entities that are consolidated within the financial statements. The details on the impact of consolidating these entities on the consolidated financial statements can be seen in Note E. *Investment Partnerships and Other Entities*.

See Note E for a further discussion of PMV Consumer Acquisition Corp. as well as its registration statement and Form 10K as of December 31, 2020 both located on the U.S. Securities and Exchange Commission website https://www.sec.gov/edgar/searchedgar/companysearch.html under the symbol PMVC.

AC Spin-off

On November 30, 2015, GAMCO Investors, Inc. ("GAMCO" or "GBL") 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 currently holds 2,756,876 shares as of December 31, 2020.

Morgan Group Spin-off

On October 31, 2019, the Company closed on a transaction whereby Morgan Group Holding Co., ("Morgan Group") a company that trades in the over the counter market under the symbol "MGHL" and under common control of AC's majority shareholder, acquired all of the Company's interest in G.research for 50,000,000 shares of Morgan Group common stock. In addition, immediately prior to the closing 5.15 million Morgan Group shares were issued under a private placement for $515,000. Subsequent to the transaction and private placement, the Company had an 83.3% ownership interest in Morgan Group. The transaction was accounted for pursuant to ASC 805-50, Transactions Between Entities Under Common Control. A common-control transaction is similar to a business combination because there is no change in control over the entity by the parent. For transactions between entities under common control, there is no change in basis in the net assets received and therefore they are recorded at their historical cost.

On March 16, 2020, the Company announced that its Board of Directors approved the spin-off of Morgan Group to AC's shareholders in which AC would distribute to its shareholders on a pro rata basis the 50,000,000 shares of Morgan Group that it owns.

On May 5, 2020, the Morgan Group board approved a reverse stock split of the issued and outstanding shares of their common stock, par value $0.01 per share, in a ratio of 1-for-100 that was effective on June 10, 2020.

Associated Capital held 83.3% of the outstanding shares of Morgan Group through August 5, 2020.

On August 5, 2020, Morgan Group shares held by the Company were distributed to the Company's shareholders of record as of July 30, 2020. Based on the distribution ratio, AC stockholders of record received approximately 0.022356 shares of Morgan Group common stock for each share of AC common stock held.

The historical financial results of Morgan Group have been reflected in the Company's consolidated financial statements as discontinued operations for all periods presented through August 5, 2020.

B. Significant Accounting Policies

Consolidated Financial Statements

All material intercompany transactions and balances have been eliminated. Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that such control ceases. The Company's principal market is in the United States.

Certain prior year amounts have been conformed to the current year presentation including the presentation of "Noncontrolling Interests" in the consolidated statement of equity and the presentation of "Unrealized (gains)/losses on securities" within the operating section of the consolidated statement of cash flows. The amount of gains from investments and dividends with respect to funds advised by affiliates for the year ended December 31, 2019 was previously reported at an incorrect amount of $38.7 million. The disclosure in Note I was corrected to reflect the actual amount of $20.1 million.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported on the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents primarily consist of an affiliated money market mutual fund which is highly liquid. U.S. Treasury Bills and Notes with maturities of three months or less at the time of purchase are also considered cash equivalents.

Investments in Securities

Securities owned are recorded at fair value in the statements of financial condition with any unrealized gains or losses reported in current period earnings in gain/(loss) from investments, net on the consolidated statements of income. Securities transactions and any related gains and losses are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the specific identified cost basis and are included in gain/(loss) from investments, net on the consolidated statements of income.

Management determines the appropriate classification of debt securities at the time of purchase. Debt securities with maturities of greater than three months at the time of purchase are considered investments in debt securities. A majority of our investments in debt securities are accounted for as trading securities, except for the investment in U.S. Treasury Bills held in trust by PMV, which are accounted for as held to maturity.

Investments in securities are reflected in U.S. Treasury Bills, investments in equity securities, investments in affiliated registered investment companies and investments U.S. Treasury Bills held in trust.

Securities sold, but not yet purchased are recorded on the trade date, and are stated at fair value and represent obligations of AC to purchase the securities at prevailing market prices. Therefore, the future satisfaction of such obligations may be for an amount greater or less than the amounts recorded on the consolidated statements of financial condition. The ultimate gains or losses recognized are dependent upon the prices at which these securities are purchased to settle the obligations under the sales commitments. Unrealized gains and losses and realized gains and losses from covers of securities sold, not yet purchased transactions are included in net gain/(loss) from investments on the consolidated statements of income.

Fair Value of Financial Instruments

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the guidance on fair value measurement. The levels of the fair value hierarchy and their applicability to the Company are described below:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date. Level 1 assets include cash equivalents, government obligations, open-end mutual funds, closed-end funds and equities.

- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities that are not active and inputs other than quoted prices that are observable for the asset or liability such as interest rates and yield curves that are observable at commonly-quoted intervals. Assets included in this category are over-the-counter derivatives that have valuation inputs that can generally be corroborated by observable market data.

- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Assets in this category generally include equities that trade infrequently and direct private equity investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy in which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, and other characteristics particular to the instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3.

In the absence of a closing price, an average of the bid and ask price is used. Bid prices reflect the highest price that market participants are willing to pay for an asset. Ask prices represent the lowest price that market participants are willing to accept for an asset.

Cash equivalents—Cash equivalents primarily consist of an affiliated money market mutual fund which is invested solely in U.S. Treasury securities and valued based on the net asset value of the fund. Other cash equivalents are valued using unadjusted quoted market prices. Accordingly, cash equivalents are categorized in Level 1 of the fair value hierarchy.

Investments in securities—Investments in securities and securities sold not yet purchased are generally valued based on quoted prices from an exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in Level 1 of the fair value hierarchy. Securities categorized as Level 2 investments are valued using other observable inputs. Nonpublic and infrequently traded investments are included in Level 3 of the fair value hierarchy because significant inputs to measure fair value are unobservable.

Investment in U.S. Treasury Bills held in trust account

At December 31, 2020, debt securities of our consolidated SPAC, PMV, are held in a trust account and consist of U.S. Treasury Bills accounted for as held-to-maturity in accordance with ASC 320 "Investments – Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying consolidated balance sheet and adjusted for the amortization or accretion of premiums or discounts.

Receivables from Affiliates and Payables to Affiliates

Receivables from affiliates consist primarily of sub-advisory fees due from Gabelli Funds, LLC, a subsidiary of GAMCO. Payables to affiliates primarily consist of expenses paid by affiliates on behalf of the Company pursuant to a transitional services agreement with GAMCO entered into in connection with the AC Spin-off.

Receivables from and Payables to Brokers

Receivables from and payables to brokers consist of amounts related to purchases and sales of securities as well as cash amounts held in anticipation of investment.

Consolidation

The Company assesses all entities with which it is involved for consolidation on a case by case basis depending on the specific facts and circumstances surrounding each entity. Pursuant to accounting guidance, the Company first evaluates whether it holds a variable interest in an entity. The Company considers all economic interests, including proportionate interests through related parties, to determine if such interests are considered a variable interest. Fees paid to the Company that are customary and commensurate with the level of services provided from entities in which the Company does not hold other more than insignificant economic interests in the entity are not considered as a variable interest.

For any entity where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether it qualifies as a variable interest entity ("VIE"). The granting of substantive kick-out or participating rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated. The Company evaluates for consolidation on a case by case basis those VIEs in which substantive kick-out or participating rights have been granted to the unaffiliated investors to either dissolve the fund or remove the general partner.

Under the variable interest entity model, the Company consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. When the Company alone is not considered to have a controlling financial interest in the VIE but the Company and its related parties under common control in the aggregate have a controlling financial interest in the VIE, the Company will be deemed the primary beneficiary if it is the party that is most closely associated with the VIE. When the Company and its related parties not under common control in the aggregate have a controlling financial interest in the VIE, the Company would be deemed to be the primary beneficiary if substantially all the activities of the entity are performed on behalf of the Company.

The Company determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion as required. Investments and redemptions (either by the Company, related parties or third parties) or amendments to the governing documents of the respective entity may affect an entity's status as a VIE or the determination of the primary beneficiary.

Entities that do not qualify as VIEs are assessed for consolidation as voting interest entities ("VOEs") under the voting interest model. The Company evaluates whether the entity should be evaluated under the guidance for partnerships and similar entities, or corporations, and consolidates those entities it controls through a majority voting interest or other means. If the Company is the general partner or managing member it generally will not be required to consolidate a VOE.

The Company records noncontrolling interests in consolidated entities for which the Company's ownership is less than 100%. Refer to Non-controlling Interests below for additional information.

Investments in Partnerships and Affiliates

The Company is general partner or co-general partner of various affiliated entities. We also have investments in unaffiliated partnerships, offshore funds and other entities (collectively, "unaffiliated entities"). Given that we are not a general partner or investment manager in any unaffiliated entity, we neither earn any management or incentive fees nor have a controlling financial interest in such entity. We do not consolidate any unaffiliated entity.

The balance sheet caption investments in partnerships includes investments in both affiliated and unaffiliated entities.

The Company accounts for its investments in partnerships and affiliates under the equity method. Substantially all of the Company's equity method investees are entities that record their underlying investments at fair value and are included in investments in partnerships. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investee's underlying net income or loss is based upon the most currently available information and is recorded as net gain/(loss) from investments on the consolidated statements of income. Capital contributions are recorded as an increase in investments when paid, and withdrawals and distributions are recorded as reductions of the investments when received. Depending on the terms of the investment, the Company may be restricted as to the timing and amounts of withdrawals.

Derivative Financial Instruments

The Company recognizes all derivatives as either assets or liabilities measured at fair value and includes such derivatives in either investment in securities or securities sold, not yet purchased on the consolidated statements of financial condition. From time to time, the Company will enter into hedging transactions to manage its exposure to foreign currencies or equity prices related to its proprietary investments. Except for a foreign exchange contract entered into by the Company, these transactions are not designated as hedges for accounting purposes, and changes in fair values of these derivatives are included in net gain/(loss) from investments on the consolidated statements of income. See Note D, Investments in Securities, for additional information.

Major Revenue-Generating Services and Revenue Recognition

The Company's revenues are derived primarily from investment advisory and incentive fees.

Investment advisory and incentive fees are directly influenced by the level and mix of AUM as fees are derived from a contractually-determined percentage of the balance of each account as well as a percentage of the investment performance of certain accounts. Management fees from Investment Partnerships and offshore funds are computed either monthly or quarterly, and amounts receivable are included in investment advisory fees receivable on the consolidated statements of financial condition. These revenues vary depending upon the level of capital flows, financial market conditions, investment performance and the fee rates applicable to each account.

Incentive allocations or fees are generally recognized at the end of an annual measurement period and amounts receivable are included in investment advisory fees receivable on the consolidated statements of financial condition.

See Note C, Revenue, for additional information.

Depreciation

Fixed assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives of four to thirty-nine years and are included in other assets on the consolidated statements of financial condition.

Fixed assets as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Buildings	$ 17,727	$ 6,518
Equipment	186	219
Total	17,913	6,737
Less: accumulated depreciation	(383)	(107)
Net book value	$ 17,530	$ 6,630

Allocated Expenses

The Company is charged or incurs certain overhead expenses that are paid by, or paid on our behalf by, other affiliates and are included in other operating expenses on the consolidated statements of income. These overhead expenses primarily relate to centralized functions including finance and accounting, legal, compliance, treasury, tax, internal audit, information technology, human resources and risk management. These overhead expenses are allocated to the Company by other affiliates or allocated by the Company to other affiliates as the expenses are incurred, based upon direct usage when identifiable, or by revenue, headcount, space or other allocation methodologies periodically reviewed by the management of the Company and the affiliates.

The compensation expense and related payroll taxes and benefits of certain dual employees that provide services to both AC and affiliates that are paid for by GCIA or GAMCO are allocated between the companies based upon the relative time each employee devotes to each affiliate. These allocated compensation expenses are included in compensation on the consolidated statements of income.

All of the allocations and estimates in the financial statements are based on assumptions that management of AC believes are reasonable. However, these allocations may not be indicative of the actual expenses we would have incurred or may incur in the future.

Management Fee

Management fee expense in the amount of 10% of the aggregate pre-tax profits, before consideration of this fee and before consideration of the income attributable to consolidated funds and partnerships, is paid to the Executive Chairman or his designees in accordance with his employment agreement.

Stock-Based Compensation

During 2018, the Company's Board of Directors approved the grant of Phantom Restricted Stock awards ("Phantom RSAs"). 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 during the vesting period will be paid to participants on vesting.

The Phantom RSAs are accounted for 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 remeasure 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. 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.

Goodwill

Goodwill is initially measured as the excess of the cost of an acquired business over the sum of the fair value assigned to assets acquired less the liabilities assumed. Goodwill is tested for impairment at least annually on November 30th and whenever certain triggering events are met. In assessing the recoverability of goodwill as of November 30, 2020 and 2019, we performed a qualitative assessment of whether it was more likely than not that an impairment had occurred and concluded that a quantitative analysis was not required. As such, no impairment was recorded during 2020 or 2019.

Income Taxes

For purposes of the preparation of the consolidated financial statements, the provision for income taxes is computed using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income tax expense/benefit in the period that includes the enactment date of the change in tax rate.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. A valuation allowance would be recorded to reduce the carrying value of deferred tax assets to the amount that is more likely than not to be realized. In making such a determination of whether a valuation allowance is necessary, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In the event the Company were to determine that the Company would be able to realize the Company's deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

For uncertain tax positions the Company first determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position. For those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes the accrual of interest on uncertain tax positions and penalties in income tax provision on the consolidated statements of income. Accrued interest and penalties on uncertain tax positions are included within accrued expenses and other liabilities on the consolidated statements of financial condition.

Noncontrolling Interests

Noncontrolling interests in Investment Partnerships or other entities that are redeemable at the option of the holder are classified as redeemable noncontrolling interests in the mezzanine section of the consolidated statements of financial condition between liabilities and equity. Noncontrolling interests in other entities that are not redeemable at the option of the holder are classified as such as a separate component of shareholder's equity.

Redeemable noncontrolling Interests-PMV

The Company accounts for the common stock held by noncontrolling interest holders of our consolidated SPAC, PMV, as subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption is classified in the mezzanine section of the consolidated statements of financial condition between liabilities and equity and is measured at redemption value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. PMVs common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2020, common stock held by noncontrolling interest holders is presented at redemption value in redeemable noncontrolling interests, outside of the stockholders' equity section of the Company's balance sheet.

For the years ended December 31, 2020 and 2019, net income/(loss) attributable to noncontrolling interests on the consolidated statements of income represents the share of net income/(loss) attributable to third-party investors in consolidated funds.

Offering Costs

Offering costs incurred by the initial public offering of PMV consist of legal, accounting, underwriting fees and other costs. Offering costs amounting to $9,957,390, including deferred underwriting fees of $6,125,000, net of a $175,000 credit paid by the underwriter, were charged against equity of PMV upon the completion of the initial public offering.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and receivable from brokers. The Company maintains cash and cash equivalents primarily in the Gabelli U.S. Treasury Money Market Fund, which invests fully in instruments issued by the U.S. government. Receivables from brokers and financial institutions can exceed the federally insured limit. The concentration of credit risk with respect to advisory fees and incentive fees, which are included in investment advisory fees receivable and receivables from affiliates on the consolidated statements of financial condition, is generally limited due to the short payment terms extended to clients by the Company. All investments in securities are held at third party brokers or custodians.

Business Segment

The Company operates in one business segment. The Company's chief operating decision maker reviews the Company's financial performance at an aggregate level.

Recent Accounting Developments

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which amends the guidance in GAAP for the accounting for leases. ASU 2016-02 requires a lessee to recognize assets and liabilities arising from most operating leases in the consolidated statement of financial position. The Company adopted this ASU effective January 1, 2019 with no material impact on its consolidated financial statements.

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 Statement 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 and requires a modified retrospective transition method, which will result in a cumulative-effect adjustment in retained earnings upon adoption. Early adoption is permitted. The Company is currently assessing the potential impact of this new guidance on the Company’s consolidated financial statements.

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. This guidance will be effective for the Company on January 1, 2023 using a prospective transition method and early adoption is permitted. The Company is currently evaluating the potential effect of this new guidance on the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU adds certain disclosure requirements and modifies or eliminates requirements under current GAAP. This ASU was effective for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Company has early adopted the eliminated and modified disclosure requirements effective January 1, 2019.

C. Revenue

The Company’s revenue is accounted for as contracts with customers, and the timing of revenue recognition is based on the Company’s analysis of the provisions of each respective contract. Depending upon the specific terms, revenue may be recognized over time or at a point in time. Modifications to contracts may affect the timing of the satisfaction of performance obligations, the determination of the transaction price, and the allocation of the price to performance obligations, any of which may impact the timing of the recognition of the related revenue.

The Company’s major revenue sources are as follows:

Investment advisory and incentive fees. The Company and its subsidiaries act as general partner, investment manager or sub-advisor to investment funds and/or separately managed accounts of institutional investors (e.g., corporate pension plans). The fees that are paid to the Company are set forth in the offering documents for the investment fund or the separately managed account agreement. Investment advisory and incentive fee revenue consists of:

a) Asset-based advisory fees – The Company receives a management fee, payable monthly in advance based on value of the net assets of the client. It is generally set at a rate of 1%-1.5% per annum. Asset-based management fee revenue is recognized only as the services are performed over the period.

b) Performance-based advisory fees – Certain client contracts call for additional fees and or allocations of income tied to a certain percentage, generally 20%, of the investment performance of the account over a measurement period, typically the calendar year. In addition, the contracts provide that performance-based fees or allocations become fixed in the event of an investor redemption prior to the end of the measurement period. In the event that an account suffers a loss in one period, it must be recovered before incentive fees are earned by the Company; this is commonly referred to as a “high water mark” provision. While the Company’s performance obligation is satisfied over time, the Company does not recognize performance-based fees until the end of the measurement period or the time of the investor redemption when the uncertainty surrounding the amount of the variable consideration is resolved.

c) Sub-advisory fees – Pursuant to agreements with other investment advisors, the Company receives a percentage of advisory fees received by such advisors from certain of their investment fund clients. These fees may be either asset- or performance-based. In addition, they may be subject to reduction by certain expenses as set forth in the respective agreements. Sub-advisory fee revenue which is asset-based is recognized ratably as the services are performed over the relevant contractual performance period. Sub-advisory fee revenue which is performance-based is recognized only when it becomes fixed and not subject to adjustment.

The Company reserves the right to waive or reduce asset-based and performance-based fees with respect to certain investors in the investment funds which may include investments by employees and other related parties. Advisory and incentive fees payable by investment funds are typically approved by third-party administrators and paid directly from the accounts' assets. Such fees attributable to separate accounts may be subject to review and approval by the client and may be paid either from the accounts' assets or directly by the client.

Our advisory fee revenues are influenced by both the amount of AUM and the investment performance of our products. An overall decline in the prices of securities may cause our advisory fees to decline by either causing the value of our AUM to decrease or causing our clients to withdraw funds in favor of investments they perceive to offer greater opportunity or lower risk. Similarly, success in the investment management business is dependent on investment performance as well as distribution and client services. Good performance can stimulate sales of our investment products and tends to keep withdrawals and redemptions low, which generates higher asset-based management fees. Conversely, poor performance, both in absolute terms and/or relative to peers and industry benchmarks, tends to result in decreased sales, increased withdrawals and redemptions and in the loss of clients, with corresponding decreases in revenues to us.

Total revenues by type were as follows for the years ended December 31, 2020 and 2019 (in thousands):

	Year Ended December 31, 2020	2019
Revenues		
Investment advisory and incentive fees		
Asset-based advisory fees	$ 5,415	$ 7,022
Performance-based advisory fees	5,706	7,501
Sub-advisory fees	7,167	7,625
	18,288	22,148
Other		
Miscellaneous	695	57
	695	57
Total	$ 18,983	$ 22,205

D. Investments in Securities

Investments in securities at December 31, 2020 and 2019 consisted of the following (in thousands):

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Debt - Trading Securities:				
U.S. Treasury Bills	$ 344,367	$ 344,453	$ 28,428	$ 29,037
Equity Securities:				
Common stocks	239,240	237,377	271,627	262,562
Mutual funds	546	1,294	1,207	2,196
Other investments	8,806	11,216	7,847	6,562
Total investments in securities	592,959	594,340	309,109	300,357

Securities sold, not yet purchased at December 31, 2020 and 2019 consisted of the following (in thousands):

	2020		2019	
	Proceeds	Fair Value	Proceeds	Fair Value
Equity securities:				
Common stocks	$ 14,369	$ 16,090	$ 13,863	$ 16,300
Other investments	1,209	1,481	13	119
Total securities sold, not yet purchased	$ 15,578	$ 17,571	$ 13,876	$ 16,419

Investments in affiliated registered investment companies at December 31, 2020 and 2019 consisted of the following (in thousands):

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Equity securities:				
Closed-end funds	$ 76,462	$ 106,719	$ 75,646	$ 99,834
Mutual funds	48,395	63,886	48,348	59,477
Total investments in affiliated registered investment companies	$ 124,857	$ 170,605	$ 123,994	$ 159,311

The Company recognizes all equity derivatives as either assets or liabilities measured at fair value and includes them in either investment in securities or securities sold, not yet purchased on the consolidated statements of financial condition. From time to time, the Company and/or consolidated funds will enter into hedging transactions to manage their exposure to foreign currencies and equity prices related to their proprietary investments. At December 31, 2020 and December 31, 2019 we held derivative contracts on 1.8 million and 3.4 million equity shares, respectively, that are included in investments in securities or securities sold, not yet purchased on the consolidated statements of financial condition as shown in the table below. We had two foreign exchange contracts outstanding at December 31, 2019. Except for the foreign exchange contracts entered into by the Company, these transactions are not designated as hedges for accounting purposes, and changes in fair values of these derivatives are included in net gain/(loss) from investments on the consolidated statements of income and included in investments in securities, securities sold, not yet purchased, or receivable from or payable to brokers on the consolidated statements of financial condition. No foreign exchange contracts were outstanding at December 31, 2020.

The following table identifies the fair values of all derivatives and foreign currency positions held by the Company (in thousands):

	Asset Derivatives			**Liability Derivatives**		
	Statement of Financial Condition Location	**Fair Value December 31, 2020**	**Fair Value December 31, 2019**	**Statement of Financial Condition Location**	**Fair Value December 31, 2020**	**Fair Value December 31, 2019**
Derivatives designated as hedging instruments under FASB ASC 815-20						
Foreign exchange contracts	Receivable from brokers	$ -	$ 23	Payable to brokers	$ -	$ -
Derivatives not designated as hedging instruments under FASB ASC 815-20						
Equity contracts	Investments in securities	$ 621	$ 291	Securities sold, not yet purchased	$ 938	$ 119
Total derivatives		$ 621	$ 314		$ 938	$ 119

The following table identifies gains and losses of all derivatives and foreign currency positions held by the Company (in thousands):

Type of Derivative	Income Statement Location	Year ended December 31, 2020	Year ended December 31, 2019
Foreign exchange contracts	Net gain/(loss) from investments	$ (51)	$ 128
Equity contracts	Net gain/(loss) from investments	(336)	(1,951)
Total		$ (387)	$ (1,823)

The Company is a party to enforceable master netting arrangements for swaps entered into with major U.S. financial institutions as part of its investment strategy. They are typically not used as hedging instruments. These swaps, while settled on a net basis with the counterparties, are shown gross in assets and liabilities on the consolidated statements of financial condition. The swaps have a firm contract end date and are closed out and settled when each contract expires.

	Gross Amounts of Recognized Assets	**Gross Amounts Offset in the Statements of Financial Condition**	**Net Amounts of Assets Presented in the Statements of Financial Condition**	**Gross Amounts Not Offset in the Statements of Financial Condition: Financial Instruments**	**Gross Amounts Not Offset in the Statements of Financial Condition: Cash Collateral Received**	**Net Amount**
Swaps:			(In thousands)			
December 31, 2020	$ 621	$ -	$ 621	$ (938)	$ -	$ (317)
December 31, 2019	291	-	291	(119)	-	172

	Gross Amounts of Recognized Liabilities	**Gross Amounts Offset in the Statements of Financial Condition**	**Net Amounts of Liabilities Presented in the Statements of Financial Condition**	**Gross Amounts Not Offset in the Statements of Financial Condition: Financial Instruments**	**Gross Amounts Not Offset in the Statements of Financial Condition: Cash Collateral Pledged**	**Net Amount**
Swaps:			(In thousands)			
December 31, 2020	$ 938	$ -	$ 938	$ (938)	$ -	$ -
December 31, 2019	119	-	119	(119)	-	-

E. 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 $24.9 million and $20.5 million at December 31, 2020 and 2019, 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 consolidated statements of financial condition. This caption includes investments in Affiliated Entities and Unaffiliated Entities which the Company accounts for under the equity method of accounting. The company had investments in Affiliated Entities totaling $99.1 million and $124.8 million at December 31, 2020 and 2019 respectively. The Company reflects the equity in earnings of these Affiliated Entities and Unaffiliated Entities as net gain/(loss) from investments on the consolidated statements of income.

The summarized financial information of the Company's equity method investments as of and for the years ended December 31, 2020 and 2019 are as follows (in millions):

	December 31, 2020	December 31, 2019
Total assets	$ 1,653	$ 1,607
Total liabilities	326	246
Total equity	1,327	1,361

	For the year	
	2020	2019
Net income/(loss)	64	43

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 an Unaffiliated Entity has an unexpired Lockup Period. The Company has no outstanding capital commitments to any Affiliated or Unaffiliated Entity.

PMV Consumer Acquisition Corp.

The Company has determined that PMV is a voting interest entity (VOE) and since the Sponsor has substantive control of PMV due to its ability to control the board of directors of PMV, the Sponsor consolidates the assets and liabilities of PMV and the results of its operations. The Company invested $4.0 million, or approximately 62% of the $6.48 million total Sponsor partnership commitment. The Sponsor is managed by Company executives. The Company has determined that the Sponsor is a variable interest entity (VIE) and that the Company is the primary beneficiary and therefore consolidates the assets and liabilities and results of operations of the Sponsor which includes PMV. However, neither AC nor PMV have a right to the benefits from nor does it bear the risks associated with the U.S Treasury Bills held in trust assets held by PMV. Further, if the Company were to liquidate, the U.S. Treasury Bills held in trust assets would not be available to its general creditors, and as a result, the Company does not consider these assets available for the benefit of its investors.

The registration statement for the PMV initial public offering was declared effective on September 21, 2020. On September 24, 2020, PMV consummated the initial public offering of 17,500,000 units (the "Units" and, with respect to the shares of common stock included in the Units Sold, the "Public Shares"), at $10.00 per Unit, generating gross proceeds of $175,000,000.

Simultaneously with the closing of the initial public offering, PMV consummated the sale of 6,150,000 warrants (the “Private Warrants”) at a price of $1.00 per Private Warrant in a private placement to the Sponsor, generating gross proceeds of $6,150,000.

AC invested $10 million in the Class A shares in PMV and the Sponsor invested $6.1 million in Private Warrants.

Following the closing of the initial public offering on September 24, 2020, an amount of $175,000,000 ($10.00 per Unit) from the net proceeds of the sale of the Units in the initial public offering and the sale of the Private Warrants was placed in a trust account (the “Trust Account”) located in the United States, which will only be invested in U.S. U.S. Treasury Bills.

PMV will have until September 24, 2022 to complete a business combination. If PMV is unable to complete a business combination by September 24, 2022, PMV will cease all operations except for the purpose of winding up, and as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account. The deferred fee will be forfeited by the underwriters solely in the event that we fail to complete a business combination within the required time period, subject to the terms of the underwriting agreement.

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

	December 31, 2020		
	Prior to Consolidation	Consolidated Entities	As Reported
Assets			
Cash and cash equivalents	$ 32,347	$ 7,162	$ 39,509
Investments in U.S. Treasury Bills	334,954	9,499	344,453
Investments in securities (including GBL stock)	167,317	82,570	249,887
Investments in affiliated investment companies	221,318	(50,713)	170,605
Investments in partnerships	146,162	(22,168)	123,994
Receivable from brokers	6,662	18,015	24,677
Investment advisory fees receivable	7,400	(54)	7,346
Other assets (1)	31,647	7,387	39,034
Investments in U.S. Treasury Bills held in trust	-	175,040	175,040
Total assets	$ 947,807	$ 226,738	$ 1,174,545
Liabilities and equity			
Securities sold, not yet purchased	$ 9,514	$ 8,057	$ 17,571
Accrued expenses and other liabilities (1)	36,904	11,853	48,757
Redeemable noncontrolling interests	-	206,828	206,828
Total equity	901,389	-	901,389
Total liabilities and equity	$ 947,807	$ 226,738	$ 1,174,545

	December 31, 2019		
	Prior to Consolidation	Consolidated Entities	As Reported
Assets			
Cash and cash equivalents	$ 328,834	$ 13,167	$ 342,001
Investments in U.S. Treasury Bills	25,050	3,987	29,037
Investments in securities (including GBL stock)	157,623	113,697	271,320
Investments in affiliated investment companies	211,024	(51,713)	159,311
Investments in partnerships	167,781	(22,409)	145,372
Receivable from brokers	6,750	16,391	23,141
Investment advisory fees receivable	9,604	(22)	9,582
Other assets (1)	22,976	29	23,005
Assets of discontinued operations	8,137		8,137
Total assets	$ 937,779	$ 73,127	$ 1,010,906
Liabilities and equity			
Securities sold, not yet purchased	$ 4,625	$ 11,794	$ 16,419
Accrued expenses and other liabilities (1)	33,618	10,949	44,567
Liabilities of discontinued operations	2,100		2,100
Redeemable noncontrolling interests	1	50,384	50,385
Total equity	897,435	-	897,435
Total liabilities and equity	$ 937,779	$ 73,127	$ 1,010,906

(1) Represents the summation of multiple captions from the consolidated statement of financial condition

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

	Year Ended December 31, 2020		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 19,473	$ (490)	$ 18,983
Total expenses	28,652	2,800	31,452
Operating loss	(9,179)	(3,290)	(12,469)
Total other income, net	38,033	4,319	42,352
Income before income taxes	28,854	1,029	29,883
Income tax expense/(benefit)	9,426	(52)	9,374
Income from continuing operations, net of taxes	19,428	1,081	20,509
Loss from discontinued operations, net of taxes	(632)	-	(632)
Income before noncontrolling interests	18,796	1,081	19,877
Income/(loss) attributable to noncontrolling interests	(20)	1,081	1,061
Net income	$ 18,816	$ -	$ 18,816

	Year Ended December 31, 2019		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 23,761	$ (1,556)	$ 22,205
Total expenses	34,140	1,325	35,465
Operating loss	(10,379)	(2,881)	(13,260)
Total other income, net	64,084	6,399	70,483
Income before income taxes	53,705	3,518	57,223
Income tax expense	12,627	-	12,627
Income from continuing operations, net of taxes	41,078	3,518	44,596
Loss from discontinued operations, net of taxes	(1,890)	-	(1,890)
Income before noncontrolling interests	39,188	3,518	42,706
Income attributable to noncontrolling interests	-	3,518	3,518
Net income	$ 39,188	$ -	$ 39,188

Variable Interest Entities

With respect to each 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 VIEs that are consolidated and included on the consolidated statements of financial condition as well as the Company's net interest in these VIEs (in thousands):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 1,925	$ 2,224
Investments in securities (1)	20,739	18,454
Receivable from brokers	2,784	2,601
Investments in partnerships and affiliates	376	8,363
Other assets	7,105	-
Accrued expenses and other liabilities	(138)	(329)
Nonredeemable noncontrolling interests	(2,451)	-
Redeemable noncontrolling interests	(12,661)	(9,592)
AC Group's net interests in consolidated VIEs	$ 17,679	$ 21,721

(1) In 2020, includes $6.15 million in private placement warrants eliminated in consolidation with PMV

Voting Interest Entities

The following table presents the balances related to PMV and another investment partnership that are consolidated as VOE's and included on the consolidated statements of financial condition as well as the Company's net interest in these VOE's (in thousands):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 5,558	$ 10,943
Investments in securities	93,780	99,231
Receivable from brokers	15,230	13,790
Investments in debt securities held in trust	175,040	-
Other assets	322	28
Securities sold, not yet purchased	(8,057)	(11,794)
Accrued expenses and other liabilities	(11,840)	(10,665)
Redeemable noncontrolling interests	(194,167)	(40,792)
AC Group's net interests in consolidated VOEs	$ 75,866	$ 60,741

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.

F. Fair Value

The following tables present information about the Company's assets and liabilities by major category measured at fair value on a recurring basis as of December 31, 2020 and 2019 and indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value. The following tables present assets and liabilities measured at fair value on a recurring basis as of the dates specified (in thousands):

	December 31, 2020			
Assets	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 34,010	$ -	$ -	$ 34,010
Investments in securities (including GBL stock):				
Trading - U.S. Treasury Bills	344,453	-	-	344,453
Common stocks	231,901	5,440	36	237,377
Mutual funds	1,294	-	-	1,294
Other	6,133	621	4,462	11,216
Total investments in securities	583,781	6,061	4,498	594,340
Investments in affiliated registered investment companies:				
Closed-end funds	104,719	-	2,000	106,719
Mutual funds	63,886	-	-	63,886
Total investments in affiliated registered investment companies	168,605	-	2,000	170,605
Total investments held at fair value	752,386	6,061	6,498	764,945
Total assets at fair value	$ 786,396	$ 6,061	$ 6,498	$ 798,955
Liabilities				
Common stocks	$ 16,090	$ -	$ -	$ 16,090
Other	543	938	-	1,481
Securities sold, not yet purchased	$ 16,633	$ 938	$ -	$ 17,571

	December 31, 2019			
Assets	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 343,428	$ -	$ -	$ 343,428
Investments in securities (including GBL stock):				
Trading - U.S. Treasury Bills	29,037	-	-	29,037
Common stocks	257,520	4,444	89	262,053
Mutual funds	2,196	-	-	2,196
Other	2,428	509	4,134	7,071
Total investments in securities	291,181	4,953	4,223	300,357
Investments in affiliated registered investment companies:				
Closed-end funds	99,834	-	-	99,834
Mutual funds	59,477	-	-	59,477
Total investments in affiliated registered investment companies	159,311	-	-	159,311
Total investments held at fair value	450,492	4,953	4,223	459,668
Total assets at fair value	$ 793,920	$ 4,953	$ 4,223	$ 803,096
Liabilities				
Common stocks	$ 16,300	$ -	$ -	$ 16,300
Other	-	119	-	119
Securities sold, not yet purchased	$ 16,300	$ 119	$ -	$ 16,419

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

	Year ended December 31, 2020			Year ended December 31, 2019		
	Common Stocks	Other	Total	Common Stocks	Other	Total
Beginning balance	$ 89	$ 4,134	$ 4,223	$ 12	$ 3,458	$ 3,470
Total gains/(losses)	(53)	16	(37)	14	673	687
Purchases	-	2,000	2,000	-	3	3
Sales	-	(1,800)	(1,800)	-	-	-
Transfers	-	2,112	2,112	63	-	63
Ending balance	$ 36	$ 6,462	$ 6,498	$ 89	$ 4,134	$ 4,223
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	$ (31)	$ (22)	$ (53)	$ (8)	$ 673	$ 665

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

During the years ended December 31, 2020 and 2019, the Company transferred investments with a value of approximately $2,221,000 and $63,000, respectively, from Level 1 to Level 3 due to the unavailability of observable inputs. For the year ended December 31, 2020, the Company transferred an investment with a value of approximately $109,000 from Level 3 to Level 1 due to increased availability of market price quotations.

At December 31, 2020, assets held in the trust account through PMV were comprised of U.S. Treasury Bills which mature in less than one year with an amortized cost and fair value of $175 million.

G. Income Taxes

The provision for income taxes for the years ended December 31, 2020 and 2019 consisted of the following (in thousands):

	2020	2019
Federal:		
Current	$ 9,051	$ 5,006
Deferred	(193)	6,419
State and local:		
Current	532	531
Deferred	(16)	671
Total	$ 9,374	$ 12,627

A reconciliation of the federal statutory rate to the effective tax rate for the years ended December 31, 2020 and 2019 is set forth below:

	2020	2019
Statutory Federal income tax rate	21.0%	21.0%
State income tax, net of Federal benefit	1.3	1.6
Dividends received deduction	(1.4)	(0.5)
Deferred tax asset valuation allowance	1.5	1.0
Foreign investments	9.9	-
Noncontrolling interests	(1.3)	(1.3)
Other	0.4	0.3
Effective income tax rate	31.4%	22.1%

Significant components of our deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows (in thousands):

	2020	2019
Deferred tax assets:		
Stock-based compensation expense	$ 430	$ 286
Deferred compensation	1,825	499
Shareholder-designated contribution carryover	3,244	2,831
Other	53	-
	5,552	3,616
Deferred tax liabilities:		
Investments in securities and partnerships	(1,300)	(27)
Other liabilities	(201)	(384)
	(1,501)	(411)
Gross deferred tax assets /(liabilities)	4,051	3,205
Valuation allowance	(1,844)	(1,385)
Net deferred tax assets/(liabilities)	$ 2,207	$ 1,820

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 $1,844 and $1,385 as of December 31, 2020 and 2019, respectively, on the deferred tax assets related to these charitable contribution carryforwards.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits related to uncertain tax positions is as follows (in thousands):

Balance at January 1, 2019	$ 6
Reductions for tax positions of prior years	(6)
Balance at December 31, 2019	$ -
Reductions for tax positions of prior years	-
Balance at December 31, 2020	$ -

The Company records penalties and interest related to tax uncertainties in income taxes. These amounts are included in accrued expenses and other liabilities on the consolidated statements of financial condition.

The Company remains subject to income tax examination by the IRS for the years 2017 through 2019 and state examinations for years after 2011.

H. 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 outstanding during the period.

The computations of basic and diluted net income/(loss) per share are as follows (in thousands, except per share data):

	For the Years Ending December 31,	
(In thousands, except per share amounts)	2020	2019
Income from continuing operations	$ 20,509	$ 44,596
Less:		
Income attributable to noncontrolling interests	1,061	3,518
Net income from continuing operations attributable to Associated Capital Group, Inc.'s shareholders	19,448	41,078
Income/(loss) from discontinued operations	(632)	(1,890)
Net income attributable to Associated Capital Group, Inc.'s shareholders	$ 18,816	$ 39,188
Weighted average number of shares of Common Stock outstanding - basic	22,369	22,534
Weighted average number of shares of Common Stock outstanding - diluted	22,369	22,534
Basic		
Net income/(loss) from continuing operations	$ 0.87	$ 1.82
Net income/(loss) from discontinued operations	(0.03)	(0.08)
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders per share	$ 0.84	$ 1.74
Diluted:		
Net income/(loss) from continuing operations	$ 0.87	$ 1.82
Net income/(loss) from discontinued operations	(0.03)	(0.08)
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders per share	$ 0.84	$ 1.74

I. Related Party Transactions

The following is a summary of certain related party transactions.

GGCP, Inc., a private company controlled by the Executive Chairman, indirectly owns a majority of our Class B stock, representing approximately 95% of the combined voting power and 83% of the outstanding shares of our common stock at December 31, 2020.

Loans with related parties

On April 23, 2019, the Company issued a promissory note for $2.1 million to our Executive Chairman. The promissory note was re-paid with interest at 1% per annum on May 28, 2019.

Investments in Securities

In August 2006, a son of the Executive Chairman was given responsibility for managing one proprietary investment account. The balance in the proprietary investment account at December 31, 2020 and 2019 was $34.3 million and $26.3 million, respectively, of which $2.8 million and $1.0 million, respectively, is owed to the portfolio manager representing earnings that have been re-invested in the account.

At December 31, 2020 and 2019, the value of the Company's investment in GAMCO common stock (GBL) was $48.9 million and $57.2 million, respectively. As of December 31, 2020 and 2019, AC and its subsidiaries own approximately 2.8 million and 2.9 million shares respectively of GAMCO Class A stock. The Company recorded dividend income of $2.8 million and $0.3 million in 2020 and 2019, respectively from GAMCO which is included in interest and dividend income on the consolidated statements of income. For the year, the GBL stock price decreased 9.0% to $17.74 per share, resulting in a $5.5 million net realized and unrealized loss for the Company versus a net realized and unrealized gain of $7.6 million in 2019.

At December 31, 2020 and 2019, the Company invested $31.5 million and $336.7 million, respectively, in the Gabelli U.S. Treasury Money Market Fund, which is recorded in cash and cash equivalents on the consolidated statements of financial condition. For the years ended December 31, 2020 and 2019, the Company earned interest of $1.6 million and $7.8 million from the Company's investment in this fund, respectively.

Investments in affiliated equity mutual funds advised by Gabelli Funds and Teton Advisors, Inc., an investment advisor under common control with the Company, totaled $170.7 million and $159.3 million at December 31, 2020 and 2019, respectively and are included in either investments in affiliated registered investment companies on the consolidated statements of financial condition. Included in other income/(expense) are $12.0 million and $20.1 million of gains from investments and dividends with respect to funds advised by Gabelli Funds and Teton Advisors, Inc. for the years ending December 31, 2020 and 2019, respectively.

Investments in Partnerships

We had an aggregate investment in affiliated Investment Partnerships of approximately $99.1 million and $124.8 million at December 31, 2020 and 2019, respectively. Affiliates of the Company, including its consolidated subsidiaries, generally receive management fees and incentive fees and allocations of up to 20% with respect to certain of these entities.

Investment Advisory Services

Pursuant to a sub-advisory agreement with the Company, Gabelli Funds pays GCIA 90% of the net revenues it receives related to investment advisory services provided to GAMCO International SICAV – GAMCO Merger Arbitrage, an investment company incorporated under the laws of Luxembourg (the "SICAV"). For this purpose, net revenues are defined as gross advisory fees less expenses related to payouts and expenses of the SICAV paid by Gabelli Funds. GCIA received $7.2 million and $4.1 million during 2020 and 2019, respectively under this sub-advisory agreement. These payments are included in investment advisory and incentive fees on the consolidated statements of income.

Compensation

In accordance with an employment agreement, the Company pays the Executive Chairman, or his designated assignees, a management fee equal to 10% of the Company's pretax profits before consideration of this fee and before consolidation of Investment Partnerships. In 2020 and 2019, the Company recorded management fee expense of $3.1 million and $5.7 million, respectively. These fees are recorded as management fee on the consolidated statements of income.

Affiliated Receivables/Payables

At December 31, 2020 and 2019, the receivable from affiliates consists primarily of sub-advisory fees due from Gabelli Funds.

At December 31, 2020 and 2019, the payable to affiliates primarily consisted of expenses paid by affiliates on behalf of the Company.

GAMCO Sublease

In June 2016, AC entered into a sublease agreement with GBL which is subject to annual renewal. Pursuant to the sublease, AC and its subsidiaries pay a monthly fixed lease amount based on the percentage of square footage occupied by its employees (including pro rata allocation of common space) at GBL's corporate offices. For the years ended December 31, 2020 and 2019, the Company paid $144 thousand and $501 thousand, respectively, under the sublease agreement. These amounts are included in other operating expenses on the consolidated statements of income.

AC acquired a building at 3 St. James Place, London, UK on March 3, 2020 which is fully leased to GAMCO commencing 2021.

J. 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 maintains one stock award and incentive plan (the "Plan") approved by the shareholders on May 3, 2016, which is designed to provide incentives to attract and retain individuals key to the success of AC through direct or indirect ownership of our common stock. Benefits under the Plan may be granted in any one or a combination of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents and other stock or cash-based awards. A maximum of 2 million shares of Class A Stock have been reserved for issuance under the Plan by the Compensation Committee of the Board of Directors (the "Compensation Committee") which is responsible for administering the Plan. Under the Plan, the Compensation Committee may grant RSAs and either incentive or nonqualified stock options with a term not to exceed ten years from the grant date and at an exercise price that it may determine. Through December 31, 2020, approximately 700,000 shares have been awarded under the Plan leaving approximately 1.3 million shares for future grants.

There were no RSAs outstanding as of December 31, 2020 or 2019.

In August and December 2018, the Company's Board of Directors approved the grant of 172,800 shares of Phantom Restricted Stock awards ("Phantom RSAs"). Under the terms of the grants, which were effective August 8 and December 31 of 2018, 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 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. 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 December 31, 2020 and 2019, the total liability recorded by the Company in compensation payable as of December 31, 2020 and 2019, with respect to the Phantom RSAs was $1.8 million and $2.0 million, respectively.

For the years ended December 31, 2020 and 2019, the Company recorded approximately ($0.2) million and $1.4 million in stock-based compensation expense, respectively. This expense is included in compensation expense in the consolidated statements of income.

As of December 31, 2020, there were 155,500 Phantom RSAs outstanding. The unrecognized compensation expense related to these was $3.7 million which is expected to be recognized over a weighted-average period of 2.3 years. During 2020, 31,000 Phantom RSA's were forfeited or terminated. On December 28, 2020, 66,850 Phantom RSA's were issued. As of December 31, 2019, there were 119,650 Phantom RSAs outstanding and $3.9 million unrecognized compensation expense.

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.

In 2020, the Company repurchased 0.2 million shares at an average price of $36.98 per share for a total investment of $7.4 million. In 2019, the Company repurchased 0.1 million shares at an average price of $37.62 per share for a total investment of $4.1 million.

As of December 31, 2020, the maximum number of shares that may yet be purchased under the plans or programs are 893,102.

Dividends

During 2020, the Company declared and paid dividends of $0.20 per share to class A and class B shareholders totaling $4.5 million.

During 2019, the Company declared dividends of $0.20 per share to class A and class B shareholders totaling $4.5 million, of which $2.3 million is payable on January 9, 2020 and is included in accrued expenses and other liabilities on the consolidated statement of financial condition as of December 31, 2019.

K. Retirement Plan

The Company participates in an incentive savings plan (the "Savings Plan") covering substantially all employees. Company contributions to the Savings Plan are determined annually by management of the Company but may not exceed the amount permitted as a deductible expense under the Internal Revenue Code of 1986, as amended. The expense for contributions to the Savings Plan was approximately $19,000 and $29,000 in 2020 and 2019, respectively, and is included in compensation on the consolidated statements of income.

L. 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 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 believes, however, that such amounts, both those that are probable and those that are reasonably possible, are not material to the Company's financial condition, results of operations or cash flows at December 31, 2020.

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 consolidated financial statements.

M. Shareholder-Designated Contribution Plan

The Company has established a Shareholder Designated Charitable Contribution program. Under the program, from time to time each shareholder is eligible to designate a charity to which the Company would make a donation at a rate of twenty cents per share based upon the actual number of shares registered in the shareholder's name. The Company recorded an expense of $3.0 million and $3.3 million related to this program for the years ended December 31, 2020 and 2019, respectively, which is included in shareholder-designated contribution in the consolidated statements of income. As of December 31, 2020 and 2019, the Company has reflected a liability in the amount of $2.0 million in connection with this program which is included in accrued expenses and other liabilities on the consolidated statement of financial condition, respectively.

N. Discontinued Operations

As a result of the Morgan Group spin-off, the results of its operations through August 5, 2020 have been classified in the consolidated statements of income as discontinued operations for all periods presented. There was no gain or loss on the spin-off for the Company, and it was a tax-free spin-off to AC's shareholders.

Other than a transition services agreement, Associated Capital does not have any significant continuing involvement in the operations of Morgan Group after the spin-off, and Associated Capital will not have the ability to influence operating or financial policies of Morgan Group. All stockholders received 0.022356 shares of Morgan Group stock for each share of AC stock that they held on the record date for the distribution.

Operating results for the period from January 1, 2020 through August 5, 2020 and the year ended December 31, 2019 were as follows:

	For the Year Ended December 31, (1)	
	2020	2019
Revenues		
Institutional research services	$ 2,924	$ 8,947
Other	36	113
Total revenues	2,960	9,060
Expenses		
Compensation	2,276	8,374
Other operating expenses	1,699	3,184
Total expenses	3,975	11,558
Operating loss	(1,015)	(2,498)
Other income (expense)		
Net loss from investments	(8)	(9)
Interest and dividend income	81	192
Total other income, net	73	183
Income/(loss) from discontinued operations before income taxes	(942)	(2,315)
Income tax provision/(benefit)	(205)	(501)
Income/(loss) from discontinued operations, net of taxes	(737)	(1,814)
Net income/(loss) attributable to noncontrolling interests	(105)	76
Net income/(loss) attributable to AC shareholders discontinued operations, net of taxes	$ (632)	$ (1,890)

(1) During 2020 reflects the period through August 5, 2020

The assets and liabilities of Morgan Group have been classified in the consolidated statement of financial condition as of December 31, 2019 as assets and liabilities of discontinued operations and consist of the following:

		December 31, 2019
Cash and cash equivalents	$	6,587
Receivable from brokers		1,009
Receivable from affiliates		31
Deferred tax assets		184
Other assets		326
Total assets of discontinued operations		8,137
Income taxes payable		54
Compensation payable		710
Accrued expenses and other liabilities		1,336
Total liabilities of discontinued operations		2,100
Noncontrolling interests from discontinued operations		1,003
Net assets of discontinued operations attributable to AC shareholders	$	5,034

The following table summarizes the net impact of the spin-off to the Company's equity (deficit) as of August 5, 2020:

Decrease in additional paid-in capital	$	(4,403)
Decrease in noncontrolling interest		(903)
Total	$	(5,306)

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our current management, including our CEO and CAO, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2020. Based on this evaluation of our disclosure controls and procedures management has concluded that our disclosure controls and procedures were not effective as of December 31, 2020 because of a material weakness in our internal control over financial reporting, as further described below.

Notwithstanding that our disclosure controls and procedures as of December 31, 2020 were not effective, and the material weakness in our internal control over financial reporting as described below, management believes that the consolidated financial statements and related financial information included in this Annual Report on Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and based upon the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO framework")). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with GAAP.

An effective internal control system, no matter how well designed, has inherent limitations, including the possibility of human error or overriding of controls, and therefore can provide only reasonable assurance with respect to reliable financial reporting. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect all misstatements, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that a reasonable possibility exists that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis.

Under the supervision and with the participation of our management we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the COSO framework. Based on evaluation under these criteria, management determined, based upon the existence of the material weakness described below, that we did not maintain effective internal control over financial reporting as of the Evaluation Date.

The material weakness in internal control over financial reporting was identified in 2019 and caused by the Company not having sufficient personnel with technical accounting and reporting skills, which resulted in the lack of segregation of duties to separate financial statement preparation from senior management review and misstatements during 2019 related to non-routine transactions that were corrected before issuance of our Form 10Qs and 10K for periods in 2019. This material weakness resulted in an increased risk of a material misstatement in the financial statements.

Changes in Internal Control Over Financial Reporting

There were no changes during the quarter ended December 31, 2020 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Remediation Plan and Status

In light of the material weakness in our internal controls over financial reporting, management has taken steps to enhance and improve the design and operating effectiveness of our internal controls over financial reporting, including the following implemented steps: (i) hired additional qualified personnel to address inadequate segregation of duties; (ii) assigned preparation and review responsibilities to additional personnel for the financial reporting process; (iii) documented the completion and review of assigned responsibilities through checklists and completed a search to add additional finance staff to augment accounting personnel.

We are working to remediate the material weakness as quickly and efficiently as possible. However, the material weakness will not be considered remediated until the remediated controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

ITEM 9B: OTHER INFORMATION

None.

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding the Directors and Executive Officers of AC and compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated herein by reference from the Company's Proxy Statement for the 2021 Annual Meeting of Stockholders (the "Proxy Statement").

AC has adopted a Code of Business Conduct that applies to all of our officers, directors, full-time and part-time employees and a Code of Conduct that sets forth additional requirements for our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (together, the "Codes of Conduct"). The Codes of Conduct are posted on our website (www.associated-capital-group.com) and are available in print free of charge to anyone who requests a copy. Interested parties may address a written request for a printed copy of the Codes of Conduct to: Secretary, Associated Capital Group, Inc., 191 Mason Street, Greenwich, Connecticut 06830. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Codes of Conduct by posting such information on our website.

In addition to the certifications attached as Exhibits to this Form 10-K, following its 2021 Annual Meeting, AC will also submit to the New York Stock Exchange ("NYSE") a certification by our Chief Executive Officer that he is not aware of any violations by AC of the NYSE corporate governance listing standards as of the date of the certification.

ITEM 11: EXECUTIVE COMPENSATION

Information required by Item 11 is included in our Proxy Statement and is incorporated herein by reference.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by Item 12 is included in our Proxy Statement and is incorporated herein by reference.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by Item 13 is included in our Proxy Statement and is incorporated herein by reference.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by Item 14 is included in our Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15: EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) List of documents filed as part of this Report:

(1) Consolidated Financial Statements and Independent Registered Public Accounting Firm's Reports included herein:

See Index on page 22.

(2) Financial Statement Schedules

Financial statement schedules are omitted as not required or not applicable or because the information is included in the Financial Statements or notes thereto.

(3) List of Exhibits:

The agreements included or incorporated by reference as exhibits to this Annual Report on Form 10-K contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

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).
21.1	Subsidiaries of the Company.
24.1	Powers of Attorney (included on page 62 of this Report).
31.1	Certification of CEO pursuant to Rule 13a-14(a).
31.2	Certification of 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 CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 16: FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, in the City of Greenwich, State of Connecticut, on March 23, 2021.

ASSOCIATED CAPITAL GROUP, INC.

By: /s/ Timothy H. Schott
Name: Timothy H. Schott
Title: Chief Financial Officer

Date: March 23, 2021

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Kevin Handwerker and Timothy H. Schott and each of them, their true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for them in their name, place and stead, in any and all capacities, to sign any and all amendments to this report and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Douglas R. Jamieson Douglas R. Jamieson	President and Chief Executive Officer (Principal Executive Officer)	March 23, 2021
/s/ Timothy H. Schott Timothy H. Schott	Chief Financial Officer (Principal Financial Officer)	March 23, 2021
/s/ Mario J. Gabelli Mario J. Gabelli	Executive Chairman of the Board and Director	March 23, 2021
/s/ Marc Gabelli Marc Gabelli	Director	March 23, 2021
/s/ Daniel R. Lee Daniel R. Lee	Director	March 23, 2021
/s/ Bruce M. Lisman Bruce M. Lisman	Director	March 23, 2021
/s/ Frederic V. Salerno Frederic V. Salerno	Director	March 23, 2021
/s/ Salvatore F. Sodano Salvatore F. Sodano	Director	March 23, 2021
/s/ Elisa M. Wilson Elisa M. Wilson	Director	March 23, 2021

Exhibit 21.1

Subsidiaries of Associated Capital Group, Inc.

The following table lists the direct and indirect subsidiaries of Associated Capital Group, Inc. (the "Company"), except those subsidiaries when considered in the aggregate would not constitute a "significant subsidiary" as defined in the rules promulgated under the Securities Act. In accordance with Item 601 (21) of Regulation S-K, the omitted subsidiaries considered in the aggregate as a single subsidiary would not constitute a "significant subsidiary" as defined under Rule 1-02(w) of Regulation S-X.

Name	Jurisdiction of Incorporation or Organization
Gabelli & Company Investment Advisers, Inc. (100%-owned by the Company)	Delaware
Gabelli & Partners LLC (100%-owned by Gabelli & Company Investment Advisers, Inc.)	Delaware

Exhibit 31.1

Certifications

I, Douglas R. Jamieson, certify that:

1. I have reviewed this annual report on Form 10-K 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; and

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: March 23, 2021

Exhibit 31.2

Certifications

I, Timothy H. Schott, certify that:

1. I have reviewed this annual report on Form 10-K 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; and

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/ Timothy H. Schott
Name: Timothy H. Schott
Title: Chief Financial Officer

Date: March 23, 2021

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 Annual Report on Form 10-K of Associated Capital Group, Inc. (the "Company") for the year ended December 31, 2020 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: March 23, 2021

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 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 Annual Report on Form 10-K of Associated Capital Group, Inc. (the "Company") for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Timothy H. Schott, as Chief Financial 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/ Timothy H. Schott
Name: Timothy H. Schott
Title: Chief Financial Officer

Date: March 23, 2021

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.