

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

FORM 10-Q

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

For the Quarterly period ended March 31, 2022

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

(State or other jurisdiction of incorporation or organization)

47-3965991

(I.R.S. Employer Identification No.)

191 Mason Street, Greenwich, CT

(Address of principal executive offices)

06830

(Zip Code)

Registrant's telephone number, including area code (203) 629-9595

Securities registered pursuant to Section 12(b) of the Act:

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

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

<u>Class</u>	<u>Outstanding at April 28, 2022</u>
Class A Common Stock, .001 par value	3,080,965
Class B Common Stock, .001 par value	18,962,754

As of April 28, 2022, 3,080,965 shares of class A common stock and 18,962,754 shares of class B common stock were outstanding. GGCP, Inc., a private company controlled by the Company's Executive Chairman, held 77,165 shares of class A common stock and indirectly held 18,423,741 shares of class B common stock. Other executive officers and directors of GGCP, Inc. held 29,866 and 36,758 shares of class A and class B common stock, respectively. In addition, there are 221,960 Phantom Restricted Stock Awards outstanding as of March 31, 2022.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

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

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

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
ASSETS		
Cash and cash equivalents (includes U.S. Treasury Bills with maturities of less than 3 months)	\$ 348,629	\$ 319,048
Investments in U.S. Treasury Bills with greater than 3 month maturities	-	60,996
Investments in equity securities (Including GBL stock with a value of \$53.5 million and \$60.4 million, respectively)	266,178	273,087
Investments in affiliated registered investment companies	133,253	134,548
Investments in partnerships	154,443	154,460
Receivable from brokers	176,898	42,478
Investment advisory fees receivable	1,308	8,315
Receivable and investment in note receivable from affiliates	5,308	10,094
Goodwill	3,519	3,519
Other assets	19,505	21,682
Investments in marketable securities held in trust	175,151	175,109
Total assets	<u>\$ 1,284,192</u>	<u>\$ 1,203,336</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Payable to brokers	\$ 133,867	\$ 9,339
Income taxes payable, including deferred tax liabilities, net	3,703	8,575
Compensation payable	6,638	19,730
Securities sold, not yet purchased	5,812	12,905
Accrued expenses and other liabilities	2,394	3,580
Deferred underwriting fee payable	6,125	6,125
PMV warrant liability	2,145	5,280
Total liabilities	<u>160,684</u>	<u>65,534</u>
Redeemable noncontrolling interests	205,320	202,456
Commitments and contingencies (Note J)		
Equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; none issued and outstanding		
Class A Common Stock, \$0.001 par value; 100,000,000 shares authorized; 6,629,254 shares issued, respectively; 3,087,797 and 3,095,169 shares outstanding, respectively	6	6
Class B Common Stock, \$0.001 par value; 100,000,000 shares authorized; 19,196,792 shares issued; 18,962,754 and 18,962,918 outstanding, respectively	19	19
Additional paid-in capital	989,485	990,069
Retained earnings	52,249	68,435
Treasury stock, at cost (3,541,621 and 3,534,085 shares, respectively)	(121,720)	(121,427)
Total Associated Capital Group, Inc. equity	<u>920,039</u>	<u>937,102</u>
Noncontrolling interests	(1,851)	(1,756)
Total equity	918,188	935,346
Total liabilities and equity	<u>\$ 1,284,192</u>	<u>\$ 1,203,336</u>

As of March 31, 2022 and December 31, 2021, certain balances include amounts related to consolidated variable interest entities (“VIEs”) and voting interest entities (“VOEs”). See Footnote D.

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED

(Dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2022	2021
Revenues		
Investment advisory and incentive fees	\$ 2,486	\$ 2,225
Other	96	100
Total revenues	2,582	2,325
Expenses		
Compensation	3,933	3,868
Management fee	-	2,663
Other operating expenses	1,955	2,159
Total expenses	5,888	8,690
Operating loss	(3,306)	(6,365)
Other income (expense)		
Net gain/(loss) from investments	(15,610)	31,321
Interest and dividend income	804	1,189
Interest expense	(33)	(91)
Shareholder-designated contribution	(208)	(1,737)
Total other income (expense), net	(15,047)	30,682
Income/(loss) before income taxes	(18,353)	24,317
Income tax expense/(benefit)	(4,848)	5,590
Income/(loss) before noncontrolling interests	(13,505)	18,727
Income/(loss) attributable to noncontrolling interests	2,681	172
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	\$ (16,186)	\$ 18,555
Net income/(loss) per share attributable to Associated Capital Group, Inc.'s shareholders:		
Basic	\$ (0.73)	\$ 0.83
Diluted	\$ (0.73)	\$ 0.83
Weighted average shares outstanding:		
Basic	22,054	22,222
Diluted	22,054	22,222
Actual shares outstanding:	22,051	22,155

See accompanying notes.

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

	Three Months Ended	
	March 31,	
	2022	2021
Net income/(loss) before noncontrolling interests	\$ (13,505)	\$ 18,727
Less: Comprehensive income/(loss) attributable to noncontrolling interests	2,681	172
Comprehensive income/(loss) attributable to Associated Capital Group, Inc.	\$ (16,186)	\$ 18,555

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
UNAUDITED
(Dollars in thousands)

For the Three Months Ended March 31, 2022

Associated Capital Group, Inc. Shareholders

	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2021	\$ 25	\$ 68,435	\$ 990,069	\$ (121,427)	\$ 937,102	\$ (1,756)	\$ 935,346	\$ 202,456
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(486)
Net income/(loss)	-	(16,186)	-	-	(16,186)	197	(15,989)	2,484
Purchase of treasury stock	-	-	-	(293)	(293)	-	(293)	-
Accretion of redeemable noncontrolling interests	-	-	(584)	-	(584)	(292)	(876)	876
Other changes to redeemable noncontrolling interests	-	-	-	-	-	-	-	(10)
Balance at March 31, 2022	<u>\$ 25</u>	<u>\$ 52,249</u>	<u>\$ 989,485</u>	<u>\$ (121,720)</u>	<u>\$ 920,039</u>	<u>\$ (1,851)</u>	<u>\$ 918,188</u>	<u>\$ 205,320</u>

See accompanying notes.

For the Three Months Ended March 31, 2021

Associated Capital Group, Inc. Shareholders

	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2020	\$ 25	\$ 13,649	\$ 999,047	\$ (113,783)	\$ 898,938	\$ 2,451	\$ 901,389	\$ 206,828
Contributions from redeemable noncontrolling interests	-	-	-	-	-	-	-	136
Redemptions of noncontrolling interests	-	-	-	-	-	-	-	(12,066)
Net income	-	18,555	-	-	18,555	-	18,555	172
Purchase of treasury stock	-	-	-	(4,198)	(4,198)	-	(4,198)	-
Balance at March 31, 2021	<u>\$ 25</u>	<u>\$ 32,204</u>	<u>\$ 999,047</u>	<u>\$ (117,981)</u>	<u>\$ 913,295</u>	<u>\$ 2,451</u>	<u>\$ 915,746</u>	<u>\$ 195,070</u>

See accompanying notes.

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

	Three Months Ended	
	March 31,	
	2022	2021
Operating activities		
Net income/(loss)	\$ (13,505)	\$ 18,727
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Equity in net (gains) losses from partnerships	1,202	(6,935)
Depreciation and amortization	90	12
Deferred income taxes	(4,954)	2,714
Donated securities	127	1,648
Unrealized (gains)/losses on securities	21,166	(18,548)
Realized gains on sales of securities	(6,753)	(538)
(Increase)/decrease in assets:		
Investments in trading securities	46,153	250,884
Investments in partnerships:		
Contributions to partnerships	(2,702)	(1,061)
Distributions from partnerships	1,563	1,663
Receivable from affiliates	4,786	3,875
Receivable from brokers	(137,995)	(8,578)
Investment advisory fees receivable	6,961	6,209
Income taxes receivable	-	(507)
Other assets	2,087	(808)
Increase/(decrease) in liabilities:		
Payable to affiliates	-	(1,946)
Payable to brokers	124,528	3,991
Income taxes payable	82	3,435
Compensation payable	(13,092)	(9,041)
Accrued expenses and other liabilities	(1,186)	(1,628)
Total adjustments	42,063	224,841
Net cash provided by operating activities	28,558	243,568
Investing activities		
Maturities of marketable securities held in trust	-	175,074
Purchases of marketable securities held in trust	-	(175,074)
Purchases of securities	(2,601)	(250)
Proceeds from sales of securities	-	805
Return of capital on securities	828	155
Net cash provided by/(used in) investing activities	\$ (1,773)	\$ 710

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

	Three Months Ended	
	March 31,	
	2022	2021
Financing activities		
Purchase of treasury stock	(293)	(4,198)
Contributions from redeemable noncontrolling interests	-	136
Redemptions of redeemable noncontrolling interests	(486)	-
Net cash provided by (used in) financing activities	(779)	(4,062)
Net increase in cash, cash equivalents and restricted cash	26,006	240,216
Cash, cash equivalents and restricted cash at beginning of period	328,594	39,509
Cash, cash equivalents and restricted cash at end of period	<u>\$ 354,600</u>	<u>\$ 279,725</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 33	\$ 91
Cash paid/(received) for taxes	\$ 23	\$ -
Reconciliation to cash, cash equivalents and restricted cash		
Cash and cash equivalents	348,629	279,725
Restricted cash included in receivable from brokers	5,971	-
Cash, cash equivalents and restricted cash at end of period	<u>\$ 354,600</u>	<u>\$ 279,725</u>

See accompanying notes

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022
(UNAUDITED)

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.

Gabelli & Company Investment Advisors, Inc. (“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 across a range of risk and event arbitrage portfolios and in equity event-driven value strategies. The businesses earn management and incentive fees from their advisory activities. Management fees are largely based on a percentage of assets under management. Incentive fees are based on the percentage of the investment returns of certain clients’ portfolios. GCIA is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

PMV Consumer Acquisition Corp.

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 because AC has a controlling financial interest in these entities. This resulted in the consolidation of \$162.6 million of assets, \$8.3 million of liabilities, \$165.0 million of redeemable noncontrolling interests, \$(1.9) million of noncontrolling interests relating to PMV and the Sponsor as of March 31, 2022.

See Note D for a further discussion of PMV Consumer Acquisition Corp. as well as its registration statement, Annual Reports, and Quarterly Reports, which are all located on the U.S. Securities and Exchange Commission website <https://www.sec.gov> 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 2,417,500 shares as of March 31, 2022.

Basis of Presentation

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

The interim condensed consolidated financial statements include the accounts of AC Group and its subsidiaries. All material intercompany transactions and balances have been eliminated. In addition to PMV, there are several other entities that are consolidated within the financial statements. The details on the impact of consolidating these entities on the condensed consolidated financial

statements can be seen in Note D. Investment Partnerships and Other Entities.

These interim condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Use of Estimates

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

Recent Accounting Developments

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments - Credit Losses (Topic 326) (“ASU 2016-13”), which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Currently, U.S. GAAP requires an “incurred loss” methodology that delays recognition until it is probable a loss has been incurred. Under ASU 2016-13, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The condensed consolidated statements of income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. In November 2019, the FASB issued ASU 2019-10, which deferred the effective date of this guidance for smaller reporting companies for three years. This guidance is effective for the Company on January 1, 2023 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.

B. Revenue

Refer to the Company’s audited consolidated financial statements included in our Annual Report on Form 10K for the year ended December 31, 2021 for the Company’s revenue recognition policy.

The Company’s major revenue sources are as follows for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended	
	March 31,	
	2022	2021
Investment advisory and incentive fees		
Asset-based advisory fees	\$ 1,304	\$ 1,183
Performance-based advisory fees	44	9
Sub-advisory fees	1,138	1,033
Sub-total	<u>2,486</u>	<u>2,225</u>
Other		
Miscellaneous	<u>96</u>	<u>100</u>
Total	<u>\$ 2,582</u>	<u>\$ 2,325</u>

C. Investments in Securities

Investments in securities at March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Debt - Trading Securities:				
U.S. Treasury Bills	\$ -	\$ -	\$ 60,992	\$ 60,996
Equity Securities:				
Common stocks	254,946	259,420	239,383	265,156
Mutual funds	542	1,213	524	1,351
Other investments	5,907	5,545	6,253	6,580
Total investments in equity securities	<u>\$ 261,395</u>	<u>\$ 266,178</u>	<u>\$ 246,160</u>	<u>\$ 273,087</u>
Investments in marketable securities held in trust ⁽¹⁾	<u>\$ 175,151</u>	<u>\$ 175,151</u>	<u>\$ 175,109</u>	<u>\$ 175,109</u>

(1) At March 31, 2022 and December 31, 2021, marketable securities 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 approximately \$175 million, respectively. Such investments are categorized as Level 1.

Our held to maturity investments at March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	<u>March 31, 2022</u>			
	<u>Amortized Cost</u>	<u>Gross Unrealized Holding Gains</u>	<u>Gross Unrealized Holding Losses</u>	<u>Estimated Fair Value</u>
Held to maturity:				
Investment in note receivable from affiliate ⁽²⁾	\$ 5,145	\$ -	\$ -	\$ 5,145
	<u>December 31, 2021</u>			
	<u>Amortized Cost</u>	<u>Gross Unrealized Holding Gains</u>	<u>Gross Unrealized Holding Losses</u>	<u>Estimated Fair Value</u>
Held to maturity:				
Investment in note receivable from affiliate ⁽²⁾	\$ 5,066	\$ -	\$ -	\$ 5,066

(2) Investment in note receivable from affiliate relates to 2-Year Puttable and Callable Subordinated Notes due 2023 issued as part of a 2021 special dividend on GAMCO's Class A Common Stock and Class B Common Stock. The Company has the intent to hold these investments until maturity, and as such they were recorded at amortized cost.

Securities sold, not yet purchased at March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity securities:				
Common stocks	\$ 3,373	\$ 3,282	\$ 9,021	\$ 9,838
Other investments	2,189	2,530	2,767	3,067
Total securities sold, not yet purchased	<u>\$ 5,562</u>	<u>\$ 5,812</u>	<u>\$ 11,788</u>	<u>\$ 12,905</u>

Investments in affiliated registered investment companies at March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity securities:				
Closed-end funds	\$ 44,071	\$ 63,613	\$ 42,484	\$ 64,381
Mutual funds	49,547	69,640	49,362	70,167
Total investments in affiliated registered investment companies	<u>\$ 93,618</u>	<u>\$ 133,253</u>	<u>\$ 91,846</u>	<u>\$ 134,548</u>

D. 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 \$39.1 million and \$41.9 million at March 31, 2022, and December 31, 2021, respectively (“Unaffiliated Entities”). We evaluate each entity to determine its appropriate accounting treatment and disclosure. Certain of the Affiliated Entities, and none of the Unaffiliated Entities, are consolidated.

Investments in partnerships that are not required to be consolidated are accounted for using the equity method and are included in investments in partnerships on the condensed consolidated statements of financial condition. The Company had investments in Affiliated Entities totaling \$115.3 million and \$112.6 million at March 31, 2022 and December 31, 2021, respectively. The Company reflects the equity in earnings of these Affiliated Entities and Unaffiliated Entities as net gain/(loss) from investments on the condensed consolidated statements of income.

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

PMV Consumer Acquisition Corp.

The Company consolidates the assets, liabilities and the results of operations of both PMV and Sponsor. The Company invested \$4.0 million, or approximately 62% of the \$6.48 million total Sponsor partnership commitment. The Sponsor is managed primarily 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. In addition, the Company has determined that PMV is a VIE due to the lack of equity at risk and therefore is consolidated by the Sponsor, who is deemed to be the primary beneficiary. 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 marketable securities 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. Each Unit consists of one share of Class A common stock and one-half of one redeemable warrant (“PMV Public Warrant”). Each whole PMV Public Warrant entitles the holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment.

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 \$6.15 million in Private Warrants, both of which eliminate in the consolidation of PMV.

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 are generally invested in 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 investment partnerships and other entities (“Consolidated Entities”) on the condensed consolidated statements of financial condition (in thousands):

	March 31, 2022		
	Prior to Consolidation	Consolidated Entities	As Reported
Total assets	\$ 1,074,188	\$ 210,004	\$ 1,284,192
Liabilities and equity			
Total liabilities	144,587	16,097	160,684
Redeemable noncontrolling interests	-	205,320	205,320
Total equity ⁽¹⁾	929,601	(11,413)	918,188
Total liabilities and equity	\$ 1,074,188	\$ 210,004	\$ 1,284,192

	December 31, 2021		
	Prior to Consolidation	Consolidated Entities	As Reported
Total assets	\$ 991,104	\$ 212,232	\$ 1,203,336
Liabilities and equity			
Total liabilities	45,024	20,510	65,534
Redeemable noncontrolling interests	-	202,456	202,456
Total equity ⁽¹⁾	946,080	(10,734)	935,346
Total liabilities and equity	\$ 991,104	\$ 212,232	\$ 1,203,336

(1) Debit adjustments to Total equity reflect the amortization of the discount related to the issuance of PMV SPAC’s redeemable noncontrolling interest. The discount is amortized through an adjustment to additional paid-in capital and noncontrolling interest (proportionate to ownership interest in PMV Sponsor) and is also adjusted periodically for income/loss allocated to redeemable noncontrolling interest.

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

	Three Months Ended March 31, 2022		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	\$ 2,772	\$ (190)	\$ 2,582
Operating loss	(2,641)	(665)	(3,306)
Total other income/(expense), net	(18,393)	3,346	(15,047)
Income/(loss) before noncontrolling interests, net of taxes	(16,186)	2,681	(13,505)
Income attributable to noncontrolling interests	-	2,681	2,681
Net income/(loss)	\$ (16,186)	\$ -	\$ (16,186)

	Three Months Ended March 31, 2021		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	\$ 2,140	\$ 185	\$ 2,325
Operating loss	(5,852)	(513)	(6,365)
Total other income, net	30,056	626	30,682
Income before noncontrolling interests, net of taxes	18,614	113	18,727
Income attributable to noncontrolling interests	-	172	172
Net income/(loss)	\$ 18,614	\$ (59)	\$ 18,555

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 condensed consolidated statements of financial condition as well as the Company's net interest in these VIEs (in thousands):

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 1,686	\$ 1,911
Investments in securities	10,868	11,227
Receivable from brokers	1,033	1,106
Investments in partnerships and affiliates	-	-
Investments in marketable securities held in trust	175,151	175,109
Other assets	68	103
Accrued expenses and other liabilities ⁽¹⁾	(7,076)	(7,074)
PMV warrant liability	(2,145)	(5,280)
Redeemable noncontrolling interests	(165,527)	(162,314)
Nonredeemable noncontrolling interests	1,851	1,757
AC Group's net interests in consolidated VIEs	<u>\$ 15,909</u>	<u>\$ 16,545</u>

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

Voting Interest Entities

We have an investment partnership that is consolidated as a VOE for both 2022 and 2021 because AC has a controlling interest in the entity. This resulted in the consolidation of \$107.2 million of assets, \$7.2 million of liabilities, and \$39.8 million of redeemable noncontrolling interests at March 31, 2022 and \$109.3 million of assets, \$8.4 million of liabilities, and \$40.1 million of redeemable noncontrolling interests at December 31, 2021. AC's net interest in the consolidated VOE for 2022 and 2021 was \$60.2 million and \$60.8 million, respectively.

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.

E. Fair Value

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

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

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

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

March 31, 2022				
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	\$ 346,891	\$ -	\$ -	\$ 346,891
Investments in securities (including GBL stock):				
Trading - U.S. Treasury Bills	-	-	-	-
Common stocks	255,076	2,271	2,073	259,420
Mutual funds	1,213	-	-	1,213
Other	4,515	783	247	5,545
Total investments in securities	260,804	3,054	2,320	266,178
Investments in affiliated registered investment companies:				
Closed-end funds	53,213	-	10,400	63,613
Mutual funds	69,640	-	-	69,640
Total investments in affiliated registered investment companies	122,853	-	10,400	133,253
Total investments held at fair value	383,657	3,054	12,720	399,431
Total assets at fair value	\$ 730,548	\$ 3,054	\$ 12,720	\$ 746,322
Liabilities				
Common stocks	\$ 3,282	\$ -	\$ -	\$ 3,282
Other	1,786	744	-	2,530
Securities sold, not yet purchased	5,068	744	-	5,812
PMV warrant liability	2,145	-	-	2,145
Total liabilities at fair value	\$ 7,213	\$ 744	\$ -	\$ 7,957

December 31, 2021				
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	\$ 314,172	\$ -	\$ -	\$ 314,172
Investments in securities (including GBL stock):				
Trading - U.S. Treasury Bills	60,996	-	-	60,996
Common stocks	260,763	2,320	2,073	265,156
Mutual funds	1,351	-	-	1,351
Other	4,833	1,220	527	6,580
Total investments in securities	327,943	3,540	2,600	334,083
Investments in affiliated registered investment companies:				
Closed-end funds	56,381	-	8,000	64,381
Mutual funds	70,167	-	-	70,167
Total investments in affiliated registered investment companies	126,548	-	8,000	134,548
Total investments held at fair value	454,491	3,540	10,600	468,631
Total assets at fair value	\$ 768,663	\$ 3,540	\$ 10,600	\$ 782,803
Liabilities				
Common stocks	\$ 9,838	\$ -	\$ -	\$ 9,838
Other	1,959	1,108	-	3,067
Securities sold, not yet purchased	11,797	1,108	-	12,905
PMV warrant liability	5,280	-	-	5,280
Total liabilities at fair value	\$ 17,077	\$ 1,108	\$ -	\$ 18,185

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:

	Three Months Ended March 31,	
	2022	2021
Assets:		
Beginning balance	\$ 10,600	\$ 6,498
Total gains/(losses)	50	(30)
Purchases	2,400	44
Sales	(330)	-
Transfers	-	(358)
Ending balance	<u>\$ 12,720</u>	<u>\$ 6,154</u>
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	<u>\$ 50</u>	<u>\$ (30)</u>

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

During the three months ended March 31, 2022, there were no transfers into or out of Level 3. For the three months ended March 31, 2021, the Company transferred an investment with a value of approximately \$0.4 million from Level 3 to Level 1 due to increased availability of market price quotations.

The following table presents the carrying amounts and estimated fair values of financial assets that are not measured at fair value on a recurring basis and their respective levels within the fair value hierarchy:

Assets	As of March 31, 2022			As of December 31, 2021		
	Level Within Fair Value Hierarchy	Fair Value	Amortized Cost	Level Within Fair Value Hierarchy	Fair Value	Amortized Cost
Investment in note receivable from affiliate ⁽¹⁾	2	\$ 5,145	\$ 5,145	2	\$ 5,066	\$ 5,066
Total assets		<u>\$ 5,145</u>	<u>\$ 5,145</u>		<u>\$ 5,066</u>	<u>\$ 5,066</u>

(1) Included in Receivable and investment in note receivable from affiliates in the condensed consolidated statements of financial condition.

F. Income Taxes

The effective tax rate (“ETR”) for the three months ended March 31, 2022 and March 31, 2021 was 26.4% and 23.2%, respectively. The ETR in the year to date period of 2022 differs from the U.S. corporate tax rate of 21% primarily due to (a) state and local taxes (net of federal benefit), (b) the dividends received deduction, (c) deferred tax asset valuation allowances related to the carryforward of charitable contributions and (d) excluded income on certain consolidated entities. The ETR in the year to date period of 2021 differs from the standard corporate tax rate of 21% primarily due to (a) state and local taxes (net of federal benefit), (b) deferred tax asset valuation allowances related to the carryforward of charitable contributions and the (c) the deductibility of officers’ compensation.

At March 31, 2022 the Company had net deferred tax liabilities, before valuation allowance of approximately \$1.6 million that were recorded within income taxes payable in the condensed consolidated statements of financial condition. The Company believes that it is more-likely-than-not that the benefit from a portion of the shareholder-designated charitable contribution carryforwards will not be realized. In recognition of this risk, the Company has provided a valuation allowance of \$1.3 million and \$1.3 million as of March 31, 2022 and December 31, 2021, respectively, on the deferred tax assets related to these charitable contribution carryforwards.

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 condensed consolidated statements of financial condition. As of and for the periods ended March 31, 2022 and December 31, 2021, the Company has not identified any uncertain tax positions.

The Company remains subject to income tax examination by the IRS for the years 2018 through 2020 and state examinations for years after 2016.

G. Earnings per Share

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

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

(In thousands, except for per share amounts)	Three Months Ended	
	March 31,	
	2022	2021
Income/(loss) before noncontrolling interests	\$ (13,505)	\$ 18,727
Less: Income/(loss) attributable to noncontrolling interests	2,681	172
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	<u>\$ (16,186)</u>	<u>\$ 18,555</u>
Weighted average number of shares of Common Stock outstanding - basic	22,054	22,222
Weighted average number of shares of Common Stock outstanding - diluted	22,054	22,222
Basic and Diluted EPS	<u>\$ (0.73)</u>	<u>\$ 0.83</u>

H. Equity

Voting Rights

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

Stock Award and Incentive Plan

The Company's Board of Directors periodically grants shares of Phantom Restricted Stock awards ("Phantom RSAs"). Under the terms of the grants, the Phantom RSAs vest 30% and 70% after three and five years, respectively. The Phantom RSAs will be settled by a cash payment, net of applicable withholding tax, on the vesting dates. In addition, an amount equivalent to the cumulative dividends declared on shares of the Company's Class A common stock 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 March 31, 2022 and December 31, 2021, the total liability recorded by the Company in compensation payable in our condensed consolidated statements of financial condition as of March 31, 2022 and December 31, 2021, with respect to the Phantom RSAs was \$3.5 million and \$3.0 million, respectively.

The following table summarizes our stock-based compensation as well as unrecognized compensation for the three-month periods ended March 31, 2022 and 2021, respectively. Stock-based compensation expense is included in compensation expense in the condensed consolidated statements of income:

	Three Months Ended March 31,	
	2022	2021
Stock-based compensation expense	\$ 439	\$ 375
Remaining expense to be recognized if all vesting conditions are met ⁽¹⁾	\$ 5,922	\$ 3,414
Weighted average remaining contractual term (in years)	2.1	2.3

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

The following table summarizes Phantom RSA activity:

	RSA's	Weighted Average Grant Date Fair Value
Balance at December 31, 2021	222,905	\$ 36.03
Granted	-	-
Forfeited	(945)	37.40
Vested	-	-
Balance at March 31, 2022	<u>221,960</u>	<u>\$ 36.02</u>

Stock Repurchase Program

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

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

	Number of shares purchased	Average price per share
Remaining repurchase authorization December 31, 2021	677,144	
Share repurchase plan ⁽¹⁾	(7,536)	\$ 38.84
Remaining repurchase authorization March 31, 2022	<u>669,608</u>	
Remaining repurchase authorization December 31, 2020	893,102	
Share repurchase plan ⁽¹⁾	(119,087)	\$ 35.24
Remaining repurchase authorization March 31, 2021	<u>774,015</u>	

(1) Repurchases totaled \$0.3 million and \$4.2 million for the three-month periods ended March 31, 2022 and 2021, respectively.

Dividends

There were no dividends declared during each of the three-month periods ended March 31, 2022 and 2021.

I. Goodwill

At March 31, 2022, goodwill on the condensed consolidated statements of financial condition includes \$3.4 million of goodwill related to GCIA. The Company assesses the recoverability of goodwill at least annually, or more often should events warrant, using a qualitative assessment of whether it is more likely than not that an impairment has occurred to determine if a quantitative analysis is required. There were no indicators of impairment for the three months ended March 31, 2022 or March 31, 2021, and as such there was no impairment analysis performed or charge recorded.

J. Guarantees, Contingencies and Commitments

From time to time, the Company may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the condensed consolidated financial statements include the necessary provisions for losses, if any, that the Company believes are probable and estimable. Furthermore, the Company evaluates whether losses exist which may be reasonably possible and will, if material, make the necessary disclosures. Management 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 March 31, 2022.

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

K. Subsequent Events

On May 4, 2022, the Company's board of directors declared a semi-annual dividend of \$0.10 per share, which is payable on June 29, 2022 to class A and class B shareholders of record on June 15, 2022.

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

Introduction

MD&A is provided as a supplement to, and should be read in conjunction with, the Company's unaudited interim consolidated financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q, as well as the Company's audited annual financial statements included in our Form 10-K filed with the SEC on March 17, 2022 to help provide an understanding of our financial condition, changes in financial condition and results of operations. Unless the context otherwise requires, all references to "we," "us," "our," "AC Group" or the "Company" refer collectively to Associated Capital Group, Inc., a holding company, and its subsidiaries through which our operations are actually conducted.

Overview

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

Alternative Investment Management

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

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

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

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

Proprietary Capital

Proprietary capital is earmarked for our direct investment business that invests in new and existing businesses, using a variety of techniques and structures. We launched our direct private equity and merchant banking activities in August 2017. The direct investment business is developing along three core pillars:

- Gabelli Private Equity Partners, LLC ("GPEP"), formed in August 2017 with \$150 million of authorized capital as a "fundless" sponsor.
- Gabelli Special Purpose Acquisition Vehicles ("SPAC"), which commenced in 2018 with the launch of the Gabelli Value for Italy S.p.a., a general sector SPAC (VALU) that was listed on the London Stock Exchange's Borsa Italiana AIM segment. On September 22, 2020, Associated Capital completed 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.
- Finally, Gabelli Principal Strategies Group, LLC ("GPS") was created to pursue strategic operating initiatives broadly.

Our direct investing efforts are organized to invest in various ways, including growth capital, leveraged buyouts and restructurings, with an emphasis on small and mid-sized companies. Our investment sourcing is across a variety of channels including direct owners,

private equity funds, classic agents, and corporate carve outs (which are positioned for accelerated growth, as businesses seek to enhance shareholder value through financial engineering). The Company’s direct investing vehicles allow us to acquire companies and create long-term value with no pre-determined exit timetable. The SPAC vehicles leverage our capital markets expertise and act to expand deal flow in target industries.

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.

A novel strain of coronavirus, and its variants, (“COVID-19”) continue to disrupt global supply chains, adding broad inflationary pressures impacting companies worldwide. As a result of this pandemic, many of our employees (“teammates”) were working remotely. The Company’s remote work arrangements were mostly discontinued as of July 2021 and a majority of our teammates are now back in our offices. Furthermore, in response to the invasion of Ukraine by Russia, economic sanctions were imposed on individuals and entities within Russia by governments around the world, including the U.S. and the European Union. The resulting economic dislocations from the pandemic and the Ukraine-Russia conflict did not have a significant adverse impact on our AUM.

There continues to be 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.

Financial Highlights

The following is a summary of the Company’s financial performance for the Quarters ended March 31, 2022 and 2021:

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

	First Quarter	
	2022	2021
AUM - end of period (in millions)	\$ 1,839	\$ 1,495
AUM - average (in millions)	1,801	1,431
Net income/(loss) per share-diluted	\$ (0.73)	\$ 0.83
Book Value Per Share	\$ 41.72	\$ 41.22

Condensed Consolidated Statements of Income

Investment advisory and incentive fees, which are based on the amount and composition of AUM in our funds and accounts, represent our largest source of revenues. Growth in revenues depends on good investment performance, which influences the value of existing AUM as well as contributes to higher investment and lower redemption rates and attracts additional investors while maintaining current fee levels. Growth in AUM is also dependent on being able to access various distribution channels, which is usually based on several factors, including performance and service. In light of the ongoing dynamics created by 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 generally in December or at the time of an investor redemption.

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

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

Other operating expenses include general and administrative operating costs.

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

Net income/(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 D in our consolidated financial statements included elsewhere in this report.

Condensed Consolidated Statements of Financial Condition

We ended the first quarter of 2022 with approximately \$897 million in cash and investments, net of securities sold, not yet purchased of \$6 million. This includes \$349 million of cash and cash equivalents; \$260 million of securities, net of securities sold, not yet purchased, including shares of GAMCO with a market value of \$53.5 million; and \$288 million invested in affiliated and third-party funds and partnerships, including investments in affiliated closed end funds which have a value of \$64 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 \$920 million or \$41.72 per share as of March 31, 2022, compared to \$937 million or \$42.48 per share as of December 31, 2021. Shareholders' equity per share is calculated by dividing the total equity by the number of common shares outstanding. The decrease in equity from the end of 2021 was largely attributable to loss for the year to date period.

RESULTS OF OPERATIONS

	Three Months Ended March 31,	
	2022	2021
Revenues		
Investment advisory and incentive fees	\$ 2,486	\$ 2,225
Other	96	100
Total revenues	<u>2,582</u>	<u>2,325</u>
Expenses		
Compensation	3,933	3,868
Management fee	-	2,663
Other operating expenses	1,955	2,159
Total expenses	<u>5,888</u>	<u>8,690</u>
Operating loss	<u>(3,306)</u>	<u>(6,365)</u>
Other income (expense)		
Net gain/(loss) from investments	(15,610)	31,321
Interest and dividend income	804	1,189
Interest expense	(33)	(91)
Shareholder-designated contribution	(208)	(1,737)
Total other income (expense), net	<u>(15,047)</u>	<u>30,682</u>
Income/(loss) before income taxes	<u>(18,353)</u>	<u>24,317</u>
Income tax expense/(benefit)	<u>(4,848)</u>	<u>5,590</u>
Income/(loss) before noncontrolling interests	<u>(13,505)</u>	<u>18,727</u>
Income/(loss) attributable to noncontrolling interests	2,681	172
Net income/(loss) attributable to Associated Capital Group, Inc.'s shareholders	<u>\$ (16,186)</u>	<u>\$ 18,555</u>
Net income/(loss) per share attributable to Associated Capital Group, Inc.'s shareholders:		
Basic	<u>\$ (0.73)</u>	<u>\$ 0.83</u>
Diluted	<u>\$ (0.73)</u>	<u>\$ 0.83</u>
Weighted average shares outstanding:		
Basic	<u>22,054</u>	<u>22,222</u>
Diluted	<u>22,054</u>	<u>22,222</u>

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Overview

Our operating loss for the quarter was \$3.3 million compared to \$6.4 million for the comparable quarter of 2021. The decrease in operating loss was driven primarily by no management fee expense and higher revenue in the 2022 quarter. Other income was a loss of \$(15.0) million in the 2022 quarter compared to a gain of \$30.7 million in the prior year's quarter primarily due to mark-to-market changes in the value of our investment portfolio. The Company recorded an income tax benefit in the current quarter of \$(4.8) million compared to expense of \$5.6 million in the prior year's quarter. Consequently, our current quarter net income/(loss) was \$(16.2) million, or \$(0.73) per diluted share, compared to net income of \$18.6 million, or \$0.83 per diluted share, in the prior year's comparable quarter.

Revenues

Total revenues were \$2.6 million for the quarter ended March 31, 2022, \$0.3 million higher than the prior year's period.

We earn advisory fees based on the average level of AUM in our products. Advisory and incentive fees were \$2.5 million for 2022, \$0.3 million higher than the comparable quarter of 2021. AUM of \$1.8 billion was 23.0% higher than the prior year quarter. Incentive fees are not recognized until the uncertainty surrounding the amount of variable consideration ends and the fee is crystalized, typically on an annual basis on December 31. Unrecognized incentive fees amounted to \$0.8 million for the quarter ended March 31, 2022 and \$3.6 million for the quarter ended March 31, 2021.

Expenses

Compensation, which include variable compensation, salaries, bonuses and benefits, was \$3.9 million for the three month periods ended March 31, 2022 and March 31, 2021. Fixed compensation, which includes salaries and benefits and stock based compensation, increased to \$3.1 million for the 2022 period from \$2.7 million in the prior year. For the three months ended March 31, 2022 and 2021, stock-based compensation was \$0.4 million. Discretionary bonus accruals were \$0.8 million and \$0.6 million in the 2022 and 2021 periods, respectively. The remainder of the compensation expense represents variable compensation that fluctuates with management fee and incentive allocation revenues and gains on investment portfolios. Variable payouts as a percent of revenues are impacted by the mix of products upon which performance fees are earned and the extent to which they may exceed their allocated costs. For 2022, these variable payouts were \$0.8 million, down \$0.3 million from \$1.1 million in 2021 due to performance in 2022.

Management fee expense represents incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits which is payable to Mario J. Gabelli pursuant to his employment agreement. No management fee expense was recorded for the three-month period ended March 31, 2022 due to the year to date pre-tax loss. AC recorded management fee expense of \$2.7 million for the three-month period ended March 31, 2021.

Other operating expenses were \$2.0 million during the three months ended March 31, 2022 compared to \$2.2 million in the prior year.

Other

Net gain/(loss) from investments is primarily related to the performance of our securities portfolio and investments in partnerships. Investment gains/(losses) were \$(15.6) million in the 2022 quarter versus \$31.3 million in the comparable 2021 quarter, the decrease driven by market uncertainty in Q1 2022 resulting from rising interest rates, high inflation and also geo-political conflict, amongst other factors.

Interest and dividend income decreased to \$0.8 million in the 2022 quarter from \$1.2 million in the 2021 quarter.

Shareholder-designated contributions were \$0.2 million in the 2022 quarter compared to \$1.7 million in the prior year's quarter, driven by timing of contributions.

Income taxes

Our provision for income taxes was a benefit of \$4.8 million for the quarter compared to expense of \$5.6 million in the comparable period of 2021, primarily driven by losses in the 2022 period. The effective tax rate for the three months ended March 31, 2022 and March 31, 2021 was 26.4% and 23.2%, respectively. The increase in tax rate is driven by the allocation of nontaxable income to redeemable noncontrolling interests in a period of consolidated net losses.

ASSETS UNDER MANAGEMENT

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

Assets under management were \$1.8 billion as of March 31, 2022, an increase of 3.3% and 23.0% over the December 31, 2021 and March 31, 2021 periods, respectively. The changes were attributable to market appreciation/(depreciation), foreign currency and investor net inflows.

Assets Under Management (in millions)

	March 31, 2022	December 31, 2021	March 31, 2021	% Change From	
				December 31, 2021	March 31, 2021
Merger Arbitrage	\$ 1,606	\$ 1,542	\$ 1,253	4.15	28.17
Event-Driven Value	191	195	196	(2.05)	(2.55)
Other	42	44	46	(4.55)	(8.70)
Total AUM	<u>\$ 1,839</u>	<u>\$ 1,781</u>	<u>\$ 1,495</u>	3.26	23.01

Fund flows for the three months ended March 31, 2022 (in millions):

	December 31, 2021	Market Appreciation/ (Depreciation)	Foreign Currency ⁽¹⁾	Net Inflows/ (Outflows)	March 31, 2022
Event-Driven Value	195	(4)	-	-	191
Other	44	(1)	-	(1)	42
Total AUM	<u>\$ 1,781</u>	<u>\$ 2</u>	<u>\$ (20)</u>	<u>\$ 76</u>	<u>\$ 1,839</u>

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

The majority of our AUM have calendar year-end measurement periods, and our incentive fees are primarily recognized in the fourth quarter. Assets under management increased on a net basis by \$58 million for the quarter ended March 31, 2022 due to net inflows of \$76 million and market appreciation of \$2 million, offset by the impact of currency fluctuations of non-US dollar classes of investment funds of \$(20) million.

Liquidity and Capital Resources

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

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

	Three Months Ended March 31,	
	2022	2021
Cash flows provided by (used in) from continuing operations:		
Operating activities	\$ 28,558	\$ 243,568
Investing activities	(1,773)	710
Financing activities	(779)	(4,062)
Net increase in cash, cash equivalents and restricted cash	26,006	240,216
Cash, cash equivalents and restricted cash at beginning of period	328,594	39,509
Cash, cash equivalents and restricted cash at end of period	<u>\$ 354,600</u>	<u>\$ 279,725</u>

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 March 31, 2022, we had cash and cash equivalents of \$348.6 million, and \$260.4 million of investments net of securities sold, not yet purchased of \$5.8 million. Included in cash and cash equivalents are \$0.8 million as of March 31, 2022 which were held by consolidated investment funds and may not be readily available for the Company to access.

Net cash provided by operating activities was \$28.6 million for the three months ended March 31, 2022 due to \$45.0 million of net decreases of securities and net contributions to investment partnerships and \$10.9 million of adjustments for noncash items, primarily losses on investments securities and partnership investments and deferred taxes, partially offset by our net loss of \$(13.5) million and \$(13.8) million of net receivables/payables. Net cash used in investing activities was \$1.8 million due to purchases of securities of \$2.6 million offset by return of capital on securities of \$0.8 million. Net cash used in financing activities was \$0.8 million resulting from stock buyback payments of \$0.3 million and redemptions of redeemable noncontrolling interests of \$0.5 million.

Net cash provided by operating activities was \$243.6 million for the three months ended March 31, 2021 due to \$251.5 million of net decreases of securities and net contributions to investment partnerships and \$21.6 million of adjustments for noncash items, primarily gains on investments securities and partnership investments and deferred taxes, offset by our net income of \$18.5 million and net receivables/payables of \$4.8 million. Net cash provided by investing activities was \$710 thousand due to purchases of securities of \$0.3 million offset by proceeds from sales of securities of \$0.8 million and return of capital on securities of \$0.2 million. Net cash used in financing activities was \$4.0 million resulting from stock buyback payments of \$4.2 million and contributions from redeemable noncontrolling interests of \$0.1 million.

Critical Accounting Policies and Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from those estimates. See Note A and the Company's Critical Accounting Policies in Management's Discussion and Analysis of Financial Condition and Results of Operations in AC's 2021 Annual Report on Form 10-K filed with the SEC on March 17, 2022 for details on Critical Accounting Policies.

ITEM 3: Quantitative and Qualitative Disclosures About Market Risk

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

ITEM 4. Controls and Procedures

Disclosure Controls and Procedures

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

Internal Control over Financial Reporting

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

Forward-Looking Information

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

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

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

PART II: Other Information

ITEM 1: Legal Proceedings

Currently, we are not subject to any legal proceedings that individually or in the aggregate involved a claim for damages in excess of 10% of our consolidated assets. From time to time, we may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. Examinations or investigations can result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the consolidated financial statements include the necessary provisions for losses that we believe are probable and estimable. Furthermore, we evaluate whether there exist losses which may be reasonably possible and, if material, make the necessary disclosures. However, management believes such matters, both those that are probable and those that are reasonably possible, are not material to the Company's consolidated financial condition, operations, or cash flows at March 31, 2022. See also Note J, *Guarantees, Contingencies and Commitments*, to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

ITEM 1A: Risk Factors.

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

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

The following table provides information for our repurchase of our Class A Stock during the quarter ended March 31, 2022:

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
01/01/22 - 01/31/22	-	\$ -	-	677,144
02/01/22 - 02/28/22	7,136	38.76	7,136	670,008
03/01/22 - 03/31/22	400	40.41	400	669,608
Totals	<u>7,536</u>	<u>\$ 38.84</u>	<u>7,536</u>	

ITEM 6: (a) Exhibits

Exhibit

Number Description of Exhibit

<u>2.1</u>	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).
<u>3.1</u>	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).
<u>3.2</u>	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).
<u>4.1</u>	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).
<u>4.2</u>	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).
<u>10.1</u>	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).
<u>10.2</u>	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).
<u>10.3</u>	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).
<u>10.4</u>	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).
<u>10.5</u>	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).
<u>10.6</u>	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).
<u>10.7</u>	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).
<u>10.8</u>	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).
<u>31.1</u>	Certification of CEO pursuant to Rule 13a-14(a).

<u>31.2</u>	Certification of CFO pursuant to Rule 13a-14(a).
<u>32.1</u>	Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<u>32.2</u>	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	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

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

ASSOCIATED CAPITAL GROUP, INC.

(Registrant)

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

Date: May 5, 2022

Certifications

I, Douglas R. Jamieson, certify that:

1. I have reviewed this quarter report on Form 10-Q of Associated Capital Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of income and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Douglas R. Jamieson
Name: Douglas R. Jamieson
Title: Chief Executive Officer
Date: May 5, 2022

Certifications

I, Timothy H. Schott, certify that:

1. I have reviewed this quarter report on Form 10-Q of Associated Capital Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of income and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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

Date: May 5, 2022

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

In connection with the Quarter Report on Form 10-Q of Associated Capital Group, Inc. (the “Company”) for the quarter ended March 31, 2022 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: May 5, 2022

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.

**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 Quarterly Report on Form 10-Q of Associated Capital Group, Inc. (the “Company”) for the quarter ended March 31, 2022 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: May 5, 2022

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.