<u>ASSOCIATED CAPITAL GROUP, INC.</u>

A Delaware Corporation

191 Mason Street, Greenwich, CT 06830

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SIC code: 6211

Issuer's Quarterly Report

For the quarterly period ended September 30, 2025
(the "Reporting Period")

Indicate the number of shares outstanding of each of the Issuer's classes of Common Stock, as of the end of the previous reporting period and the latest practical date.

Class	Outstanding at June 30, 2025	Outstanding at October 31, 2025
Class A Common Stock, $0.001 par value (OTCQX: ACGP)	2,203,132	1,789,573
Class B Common Stock, $0.001 par value	18,921,100	18,921,100

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes ☐ No ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes ☐ No ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes ☐ No ☒

Associated Capital Group, Inc. is responsible for the content of this Quarterly Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES

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ITEM 1: EXACT NAME OF THE ISSUER AND THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICES

The name of the issuer is Associated Capital Group, Inc.

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

Company Description

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.

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.

The principal executive office and principal place of business is located at 191 Mason Street, Greenwich, CT 06830.

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ITEM 2: SHARES OUTSTANDING

There are two classes of AC's common stock: class A ("Class A Stock") and class B ("Class B Stock"). Class A Stock trades on the OTCQX market under the symbol ACGP and Class B Stock does not trade publicly. The following table shows summary information on each class of securities outstanding as of September 30, 2025, December 31, 2024 and December 31, 2023.

Class A Stock	September 30, 2025	December 31, 2024	December 31, 2023
Number of shares authorized	100,000,000	100,000,000	100,000,000
Number of shares outstanding	1,841,831	2,233,920	2,587,036
Number of shares freely tradable (public float)	1,619,364	2,011,353	2,364,469
Number of beneficial shareholders owning at least 100 shares	105	112	115
Total number of holders of record	125	132	135

Class B Stock	September 30, 2025	December 31, 2024	December 31, 2023
Number of shares authorized	100,000,000	100,000,000	100,000,000
Number of shares outstanding	18,921,100	18,950,571	18,950,571
Number of shares freely tradable (public float)	-	-	-
Total number of holders	16	17	17

Preferred Stock	September 30, 2025	December 31, 2024	December 31, 2023
Number of shares authorized	10,000,000	10,000,000	10,000,000
Number of shares outstanding	-	-	-
Number of shares freely tradable (public float)	-	-	-
Total number of holders	-	-	-

The number of shares freely tradable may include shares held by stockholders owning 10% or more of our Class A Stock. These shareholders may be considered "affiliates" within the meaning of Rule 144 and their shares may be "control shares" subject to the volume and manner of sale restrictions under Rule 144. AC's board of directors (the "Board of Directors") has authorized the exchange of Class B Stock for Class A Stock on a one for one basis.

Our listing on the New York Stock Exchange ("NYSE") under the symbol AC was completed in November 2015. AC voluntarily delisted from the NYSE and began trading on the OTCQX under the new symbol ACGP as of September 5, 2025. AC voluntarily deregistered with the U.S. Securities and Exchange Commission ("SEC") with an effective date of November 24, 2025.

Voting Rights

The holders of Class A Stock and Class B Stock have identical rights except that (i) 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, and (ii) holders of Class A Stock are not eligible to vote on matters relating exclusively to Class B Stock and vice versa.

Stock Award and Incentive Plan

The Company maintains a stock award and incentive plan approved by the shareholders (the "Plan"), which is designed to provide incentives which will attract and retain individuals key to the success of the Company primarily through indirect ownership of our common stock. Pursuant to the Plan, the Company's Board of Directors periodically grant shares of Phantom Restricted Stock awards ("Phantom RSAs" or "PRSAs") which entitles the grantee to the cash value of one share of Class A Stock, inclusive of dividends declared in the vesting period, subject to restrictions. Under the terms of the grants, the Phantom RSAs vest 30% and 70% after three and five years, respectively. The Phantom RSAs are settled by a cash payment, net of applicable withholding tax, on the vesting dates.

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, cumulative dividends 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. As of September 30, 2025 and December 31, 2024, there were 286,200 and 301,595 Phantom RSAs outstanding with weighted average grant prices of $36.92 and $36.52, respectively.

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 of Class A Stock. 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. On February 6, 2024, August 7, 2024 and August 5, 2025, the Board of Directors authorized the repurchase of an additional 350,000, 200,000 and 150,000 shares, respectively. Our stock repurchase program is not subject to an expiration date. Shares of common stock may be purchased from time to time in the future, however share repurchase amounts and prices may vary after considering a variety of factors, including the company's financial position, earnings, other alternative uses of cash, macroeconomic issues, and market conditions.

The following table provides information regarding purchases of Class A Stock made by or on behalf of the Company or any affiliated purchaser during the nine months ended September 30, 2025:

Period	Total Number of Shares Repurchased(1)	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
01/01/25 - 01/31/25	11,136	$ 35.80	11,136	342,412
02/01/25 - 02/28/25	9,887	37.08	9,887	332,525
03/01/25 - 03/31/25	17,995	36.23	17,995	314,530
04/01/25 - 04/30/25	7,796	34.48	7,796	306,734
05/01/25 - 05/31/25	5,211	37.04	5,211	301,523
06/01/25 - 06/30/25	8,234	38.14	8,234	293,289
07/01/25 - 07/31/25	11,901	37.79	11,901	281,388
08/01/25 - 08/31/25	75,756	34.82	75,756	355,632*(2)*
09/01/25 - 09/30/25	273,644	32.07	273,644	81,988
Totals	421,560	$ 33.34	421,560	

(1) On trade date basis.

(2) On August 5, 2025, the Board of Directors authorized the repurchase of an additional 150,000 shares.

Dividends

The declaration of dividends is subject to the discretion of our Board of Directors. Our Board of Directors will consider such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends, and such other factors as our Board of Directors may deem relevant. Since our inception in 2015, AC has returned $198.3 million to shareholders through share repurchases, exchange offers and dividends of $85.3 million.

ITEM 3: INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	September 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents (includes U.S. Treasury Bills with maturities of 3 months or less)	$ 212,079	$ 299,551
Investments in U.S. Treasury Bills with maturities greater than 3 months	178,431	68,299
Investments in equity securities (includes GAMCO stock with a fair value of $14,486 and $16,920, respectively)	193,587	199,040
Investments in affiliated registered investment companies	180,783	165,515
Investments in partnerships	147,000	139,988
Receivable from brokers	25,836	27,634
Investment advisory fees receivable	1,211	4,142
Receivable from affiliates	1,067	636
Income taxes receivable, including deferred tax assets, net	2,285	6,021
Goodwill	3,519	3,519
Other assets	19,368	20,944
Total assets	$ 965,166	$ 935,289
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Payable to brokers	$ 7,734	$ 5,491
Deferred tax liabilities, net	3,469	-
Compensation payable	18,985	17,747
Securities sold, not yet purchased	7,046	8,436
Accrued expenses and other liabilities	3,610	5,317
Total liabilities	40,844	36,991
Redeemable noncontrolling interests	5,920	5,592
Commitments and contingencies (Note 11)		
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; 6,671,072 and 6,641,601 shares issued; 1,841,831 and 2,233,920 shares outstanding, respectively	6	6
Class B Common Stock, $0.001 par value; 100,000,000 shares authorized; 19,196,792 shares issued; 18,921,100 and 18,950,571 outstanding, respectively	19	19
Additional paid-in capital	999,047	999,047
Retained earnings	85,561	45,809
Treasury stock, at cost (4,829,241 and 4,407,681 shares, respectively)	(166,231)	(152,175)
Total equity	918,402	892,706
Total liabilities, redeemable noncontrolling interests and equity	$ 965,166	$ 935,289

As of September 30, 2025 and December 31, 2024, certain balances include amounts related to a consolidated variable interest entity (“VIE”) and voting interest entity (“VOE”). See Note 4.

See accompanying notes.

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

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenues				
Investment advisory and incentive fees	$ 2,351	$ 2,310	$ 6,436	$ 7,706
Other revenues	127	105	378	315
Total revenues	2,478	2,415	6,814	8,021
Expenses				
Compensation	5,117	4,215	14,862	11,977
Management fee	2,113	3,312	5,973	5,736
Other operating expenses	1,907	1,804	5,903	5,868
Total expenses	9,137	9,331	26,738	23,581
Operating loss	(6,659)	(6,916)	(19,924)	(15,560)
Other income				
Net gain from investments	19,765	26,173	57,738	42,808
Interest and dividend income	6,665	11,142	17,502	24,985
Interest expense	(36)	(76)	(115)	(228)
Shareholder-designated contribution	-	-	(31)	(449)
Total other income, net	26,394	37,239	75,094	67,116
Income before income taxes	19,735	30,323	55,170	51,556
Income tax expense	3,974	6,933	12,968	11,415
Income before noncontrolling interests	15,761	23,390	42,202	40,141
Income attributable to noncontrolling interests	150	148	338	93
Net income attributable to AC's shareholders	$ 15,611	$ 23,242	$ 41,864	$ 40,048
Net income per share attributable to AC's shareholders:				
Basic and diluted	$ 0.74	$ 1.09	$ 1.98	$ 1.87
Weighted average shares outstanding:				
Basic and diluted	21,012	21,275	21,104	21,389
Total shares outstanding	20,763	21,248	20,763	21,248

See accompanying notes.

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

	Three months ended September 30, 2025					
	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2025	$ 25	$ 69,950	$ 999,047	$ (154,368)	$ 914,654	$ 5,770
Net income	-	15,611	-	-	15,611	150
Purchases of treasury stock	-	-	-	(11,863)	(11,863)	-
Balance at September 30, 2025	$ 25	$ 85,561	$ 999,047	$ (166,231)	$ 918,402	$ 5,920

	Nine months ended September 30, 2025					
	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2024	$ 25	$ 45,809	$ 999,047	$ (152,175)	$ 892,706	$ 5,592
Redemptions of noncontrolling interests	-	-	-	-	-	(10)
Net income	-	41,864	-	-	41,864	338
Dividends declared ($0.10 per share)	-	(2,112)	-	-	(2,112)	-
Purchases of treasury stock	-	-	-	(14,056)	(14,056)	-
Balance at September 30, 2025	$ 25	$ 85,561	$ 999,047	$ (166,231)	$ 918,402	$ 5,920

	Three months ended September 30, 2024					
	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2024	$ 25	$ 62,899	$ 999,047	$ (146,492)	$ 915,479	$ 5,688
Net income	-	23,242	-	-	23,242	148
Dividends declared ($2.00 per share)	-	(42,494)	-	-	(42,494)	-
Purchases of treasury stock	-	-	-	(3,410)	(3,410)	-
Balance at September 30, 2024	$ 25	$ 43,647	$ 999,047	$ (149,902)	$ 892,817	$ 5,836

	Nine months ended September 30, 2024					
	Common Stock	Retained Earnings	Additional Paid-in Capital	Treasury Stock	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2023	$ 25	$ 48,231	$ 999,047	$ (140,328)	$ 906,975	$ 6,103
Redemptions of noncontrolling interests	-	-	-	-	-	(360)
Net income	-	40,048	-	-	40,048	93
Dividends declared ($2.10 per share)	-	(44,632)	-	-	(44,632)	-
Purchases of treasury stock	-	-	-	(9,574)	(9,574)	-
Balance at September 30, 2024	$ 25	$ 43,647	$ 999,047	$ (149,902)	$ 892,817	$ 5,836

See accompanying notes.

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

	Nine months ended September 30,	
	2025	**2024**
Operating activities		
Net income	$ 42,202	$ 40,141
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:		
Equity in net gains from partnerships	(13,449)	(8,624)
Depreciation and amortization	267	272
Deferred income taxes	7,235	9,037
Donated securities	284	1,346
Unrealized gains on securities	(34,209)	(31,381)
Realized gains on sales of securities	(9,499)	(4,792)
(Increase)/decrease in assets:		
Investments in trading securities	(80,267)	(54,118)
Investments in partnerships:		
Contributions to partnerships	(2,293)	(9,700)
Distributions from partnerships	8,730	22,394
Receivable from affiliates	(431)	(4,293)
Receivable from brokers	550	(976)
Investment advisory fees receivable	2,931	3,478
Income taxes receivable	(41)	(2,682)
Other assets	1,309	(9,306)
Increase/(decrease) in liabilities:		
Payable to brokers	2,243	3,406
Income taxes payable	11	520
Compensation payable	1,238	2,319
Accrued expenses and other liabilities	(1,707)	(2,885)
Total adjustments	(117,098)	(85,985)
Net cash used in operating activities	(74,896)	(45,844)
Investing activities		
Purchases of securities	(2,159)	(9,185)
Proceeds from sales of securities	3,467	5,023
Return of capital on securities	1,047	1,200
Net cash provided by/(used in) investing activities	$ 2,355	$ (2,962)

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

	Nine months ended September 30, 2025	2024
Financing activities		
Dividends paid	$ (2,112)	$ (2,138)
Purchases of treasury stock	(14,056)	(9,574)
Redemptions of redeemable noncontrolling interests	(10)	(360)
Net cash used in financing activities	(16,178)	(12,072)
Net decrease in cash, cash equivalents and restricted cash	(88,719)	(60,878)
Cash, cash equivalents and restricted cash at beginning of period	325,703	347,057
Cash, cash equivalents and restricted cash at end of period	$ 236,984	$ 286,179
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 115	$ 228
Cash paid for taxes	$ 5,741	$ 4,509
Reconciliation of Cash, cash equivalents and restricted cash at end of period:		
Cash and cash equivalents	$ 212,079	$ 260,868
Cash included in receivable from brokers	15,934	12,443
Restricted cash included in receivable from brokers	8,971	12,868
Cash, cash equivalents and restricted cash	$ 236,984	$ 286,179

Supplemental disclosure of non-cash activity:

- On September 19, 2024, the Board of Directors declared a special cash dividend of $2.00 per share which was paid on November 4, 2024, to Class A and Class B shareholders of record on October 21, 2024. The aggregate payment was $42.5 million based on the shares outstanding as of the record date.

See accompanying notes.

ASSOCIATED CAPITAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(UNAUDITED)

1. Organization

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

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

Basis of Presentation

The unaudited interim condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for the fair presentation of financial position, results of operations, and cash flows of AC for the interim periods presented and are not necessarily indicative of results for a full year. 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, 2024.

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

For the three and nine months ended September 30, 2025 and 2024, there were no items related to other comprehensive income.

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 December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact that the adoption of this new standard will have on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The standard requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This new guidance will be effective on January 1, 2027 for annual reporting and January 1, 2028 for interim reporting. We are currently evaluating the impact that the adoption of this new standard will have on our consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326-20 to provide a practical expedient for estimating expected credit losses on current trade receivables and contract assets. The amendment permits entities to assume that current economic conditions as of the balance-sheet date will not change over the remaining life of those assets. The standard is effective for annual periods beginning after December 15, 2025, including interim periods within those fiscal years, with early adoption permitted. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements and related disclosures.

2. Revenue

The Company's major revenue sources are as follows for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Investment advisory and incentive fees				
Asset-based advisory fees	$ 1,102	$ 1,175	$ 3,222	$ 3,619
Performance-based advisory fees	69	48	100	49
Sub-advisory fees	1,180	1,087	3,114	4,038
Total investment advisory and incentive fees	2,351	2,310	6,436	7,706
Other	127	105	378	315
Total revenues	$ 2,478	$ 2,415	$ 6,814	$ 8,021

3. Investments in Securities

Investments in securities at September 30, 2025 and December 31, 2024, consisted of the following (in thousands):

	September 30, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Debt - Trading Securities:				
U.S. Treasury Bills	$ 176,684	$ 178,431	$ 66,721	$ 68,299
Equity Securities:				
Common stocks	148,488	190,371	173,436	196,557
Mutual funds	1,526	2,278	686	1,315
Other investments	735	938	1,483	1,168
Total investments in equity securities	150,749	193,587	175,605	199,040
Total investments in securities	$ 327,433	$ 372,018	$ 242,326	$ 267,339

Securities sold, not yet purchased at September 30, 2025 and December 31, 2024, consisted of the following (in thousands):

	September 30, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Common stocks	$ 6,128	$ 6,595	$ 8,116	$ 8,236
Other investments	14	451	41	200
Total securities sold, not yet purchased	$ 6,142	$ 7,046	$ 8,157	$ 8,436

Investments in affiliated registered investment companies at September 30, 2025 and December 31, 2024, consisted of the following (in thousands):

	September 30, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Closed-end funds	$ 67,446	$ 89,725	$ 67,215	$ 83,705
Mutual funds	54,473	91,058	54,698	81,810
Total investments in affiliated registered investment companies	$ 121,919	$ 180,783	$ 121,913	$ 165,515

4. Investment Partnerships and Other Entities

The Company is a general partner or co-general partner of various affiliated entities whose underlying assets consist primarily of marketable securities ("Affiliated Entities"). The Company had investments in Affiliated Entities totaling $106.7 million and $101.8 million at September 30, 2025 and December 31, 2024, respectively. The Company also had investments in unaffiliated partnerships, offshore funds and other entities of $40.3 million and $38.1 million at September 30, 2025, and December 31, 2024, respectively ("Unaffiliated Entities").

We evaluate each entity to determine its appropriate accounting treatment and disclosure. 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 reflects the equity in earnings of these Affiliated Entities and Unaffiliated Entities as net gain 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 an Unaffiliated Entity has an unexpired Lockup Period. The Company has no outstanding capital commitments to any Affiliated or Unaffiliated Entity.

Consolidated Entities

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

	September 30, 2025		
Assets	**Prior to Consolidation**	**Consolidated Entities**	**As Reported**
Cash and cash equivalents	$ 200,039	$ 12,040	$ 212,079
Investments in U.S. Treasury Bills	148,957	29,474	178,431
Investments in equity securities	149,089	44,498	193,587
Investments in affiliated registered investment companies	238,526	(57,743)	180,783
Investments in partnerships	170,198	(23,198)	147,000
Receivable from brokers	20,226	5,610	25,836
Investment advisory fees receivable	1,223	(12)	1,211
Other assets(1)	24,234	2,005	26,239
Total assets	$ 952,492	$ 12,674	$ 965,166
Liabilities, redeemable noncontrolling interests and equity			
Securities sold, not yet purchased	$ 6,636	$ 410	$ 7,046
Payable to brokers and other liabilities(1)	27,454	6,344	33,798
Redeemable noncontrolling interests	-	5,920	5,920
Total equity	918,402	-	918,402
Total liabilities, redeemable noncontrolling interests and equity	$ 952,492	$ 12,674	$ 965,166

(1) Represents the summation of multiple assets and liabilities from the condensed consolidated statements of financial condition.

	December 31, 2024		
Assets	**Prior to Consolidation**	**Consolidated Entities**	**As Reported**
Cash and cash equivalents	$ 289,991	$ 9,560	$ 299,551
Investments in U.S. Treasury Bills	64,320	3,979	68,299
Investments in equity securities	139,303	59,737	199,040
Investments in affiliated registered investment companies	220,422	(54,907)	165,515
Investments in partnerships	160,537	(20,549)	139,988
Receivable from brokers	20,402	7,232	27,634
Investment advisory fees receivable	4,142	-	4,142
Other assets(1)	28,385	2,735	31,120
Total assets	$ 927,502	$ 7,787	$ 935,289
Liabilities, redeemable noncontrolling interests and equity			
Securities sold, not yet purchased	$ 8,290	$ 146	$ 8,436
Payable to brokers and other liabilities(1)	26,506	2,049	28,555
Redeemable noncontrolling interests	-	5,592	5,592
Total equity	892,706	-	892,706
Total liabilities, redeemable noncontrolling interests and equity	$ 927,502	$ 7,787	$ 935,289

(1) Represents the summation of multiple assets and liabilities from the condensed consolidated statements of financial condition.

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

	Three months ended September 30, 2025		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 2,286	$ 192	$ 2,478
Operating loss	(6,303)	(356)	(6,659)
Total other income, net	25,320	1,074	26,394
Income before noncontrolling interests	15,611	150	15,761
Income attributable to noncontrolling interests, net of taxes	-	150	150
Net income	$ 15,611	$ -	$ 15,611

	Three Months Ended September 30, 2024		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 2,527	$ (112)	$ 2,415
Operating loss	(6,545)	(371)	(6,916)
Total other income, net	36,353	886	37,239
Income before noncontrolling interests	23,242	148	23,390
Income attributable to noncontrolling interests	-	148	148
Net income	$ 23,242	$ -	$ 23,242

	Nine months ended September 30, 2025		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 7,223	$ (409)	$ 6,814
Operating loss	(17,592)	(2,332)	(19,924)
Total other income, net	71,350	3,744	75,094
Income before noncontrolling interests	41,864	338	42,202
Income attributable to noncontrolling interests, net of taxes	-	338	338
Net income	$ 41,864	$ -	$ 41,864

	Nine Months Ended September 30, 2024		
	Prior to Consolidation	Consolidated Entities	As Reported
Total revenues	$ 8,349	$ (328)	$ 8,021
Operating loss	(14,423)	(1,137)	(15,560)
Total other income, net	66,050	1,066	67,116
Income before noncontrolling interests	40,048	93	40,141
Income attributable to noncontrolling interests	-	93	93
Net income	$ 40,048	$ -	$ 40,048

Variable Interest Entity

We have one investment partnership that is consolidated as a VIE as of September 30, 2025 and December 31, 2024 because AC is the primary beneficiary of the entity. With respect to the consolidated VIE, its assets may only be used to satisfy its obligations. The investors and creditors of the consolidated VIE have no recourse to the Company's general assets. In addition, the Company neither benefits from such VIE's assets nor bears the related risk beyond its beneficial interest in the VIE.

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

	September 30, 2025	December 31, 2024
Cash and cash equivalents	$ 801	$ 118
Investments in equity securities	11,767	10,473
Receivable from brokers	112	-
Accrued expenses and other liabilities(1)	(45)	(127)
Redeemable noncontrolling interests	(369)	(307)
AC Group's net interest in the consolidated VIE	$ 12,266	$ 10,157

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

Voting Interest Entity

We have one investment partnership that is consolidated as a VOE as of September 30, 2025 and December 31, 2024 because AC has a controlling interest in the entity. This resulted in the consolidation of $80.4 million of assets, $6.4 million of liabilities, and $5.6 million of redeemable noncontrolling interests at September 30, 2025 and $72.4 million of assets, $1.9 million of liabilities, and $5.3 million of redeemable noncontrolling interests at December 31, 2024. AC's net interest in the consolidated VOE at September 30, 2025 and December 31, 2024 was $68.4 million and $65.2 million, respectively.

Equity Method Investments

The Company's equity method investments include investments in partnerships and offshore funds. The Company evaluates each of its equity method investments to determine if any are significant as defined in the regulations applicable to smaller reporting companies promulgated by the SEC. As of and for the three and nine months ended September 30, 2025, no individual equity method investment held by the Company met the significance criteria.

5. Fair Value

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

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

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

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

	September 30, 2025			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ 209,288	$ -	$ -	$ 209,288
Investments in securities (including GAMCO stock):				
Trading - U.S. Treasury Bills	178,431	-	-	178,431
Common stocks	187,425	2,656	290	190,371
Mutual funds	2,278	-	-	2,278
Other	7	808	123	938
Total investments in securities	368,141	3,464	413	372,018
Investments in affiliated registered investment companies:				
Closed-end funds - equity securities	47,575	-	-	47,575
Preferred securities issued by Closed-end funds [(a)]	-	-	42,150	42,150
Mutual funds	91,058	-	-	91,058
Total investments in affiliated registered investment companies	138,633	-	42,150	180,783
Total investments held at fair value	506,774	3,464	42,563	552,801
Total assets at fair value	$ 716,062	$ 3,464	$ 42,563	$ 762,089
Liabilities				
Common stocks	$ 6,595	$ -	$ -	$ 6,595
Other	10	441	-	451
Securities sold, not yet purchased	6,605	441	-	7,046
Total liabilities at fair value	$ 6,605	$ 441	$ -	$ 7,046

(a) These securities represent privately issued, puttable and callable preferred securities issued by affiliated closed-end funds. These securities are considered as trading securities at the time of purchase.

	December 31, 2024			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ 298,208	$ -	$ -	$ 298,208
Investments in securities (including GAMCO stock):				
Trading - U.S. Treasury Bills	68,299	-	-	68,299
Common stocks	193,668	854	2,035	196,557
Mutual funds	1,315	-	-	1,315
Other	43	1,010	115	1,168
Total investments in securities	263,325	1,864	2,150	267,339
Investments in affiliated registered investment companies:				
Closed-end funds - equity securities	42,849	-	-	42,849
Preferred securities issued by Closed-end funds [(a)]	-	-	40,856	40,856
Mutual funds	81,810	-	-	81,810
Total investments in affiliated registered investment companies	124,659	-	40,856	165,515
Total investments held at fair value	387,984	1,864	43,006	432,854
Total assets at fair value	$ 686,192	$ 1,864	$ 43,006	$ 731,062
Liabilities				
Common stocks	$ 8,236	$ -	$ -	$ 8,236
Other	11	189	-	200
Securities sold, not yet purchased	8,247	189	-	8,436
Total liabilities at fair value	$ 8,247	$ 189	$ -	$ 8,436

(a) These securities represent privately issued, puttable and callable preferred securities issued by affiliated closed-end funds. These securities are considered as trading securities at the time of purchase.

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

	Three months ended September 30,		Nine months ended September 30,	
Assets:	2025	2024	2025	2024
Beginning balance	$ 43,007	$ 12,017	$ 43,006	$ 10,610
Total gains/(losses)	6	-	(3)	100
Purchases	2,000	-	2,000	3,900
Sales/return of capital	(706)	-	(706)	(2,593)
Transfers	(1,744)	-	(1,734)	-
Ending balance	$ 42,563	$ 12,017	$ 42,563	$ 12,017
Changes in net unrealized gain/(loss) included in Net gain from investments related to level 3 assets still held as of the reporting date	$ 6	$ -	$ (3)	$ 100

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

During the three and nine months ended September 30, 2025, $1,744 and $1,734 was transferred out of Level 3 to Level 2 as market-corroborated inputs became available for these investments. During the three and nine months ended September 30, 2024, there were no transfers into or out of Level 3.

The Company uses a discounted cash flow analysis when determining the fair value of privately issued preferred securities of affiliated closed-end funds that are categorized as Level 3. Projected cash flows in the discounted cash flow analysis represent the relevant security's dividend rate plus the assumption of full principal repayment at the preferred security's earliest available redemption date.

The significant unobservable input used in the fair value measurement of each of the Company's investments in privately issued preferred securities of closed-end funds is the discount rate. The discount rate was determined using the interest rates of U.S. Treasury Bills that are held over a similar period as the preferred security. The discount rates used in the valuation of these investments as of September 30, 2025 ranged from 3.60% to 3.95% with a weighted average of 3.92% calculated based on the relative fair value. At December 31, 2024, the discount rates used ranged from 4.16% to 4.28% with a weighted average of 4.19%. Significant changes in the discount rate could result in a significantly higher or lower fair value measurement of these Level 3 investments.

At December 31, 2024, the Company used the market approach as the valuation technique to value its investment in common stocks classified as Level 3, specifically considering recent transactions.

6. Income Taxes

A reconciliation of the Federal statutory income tax rate to the effective tax rate is set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Statutory Federal income tax rate	21.0%	21.0%	21.0%	21.0%
State income tax, net of Federal benefit	1.1%	1.4%	1.5%	1.4%
Dividends received deduction	-0.6%	-1.8%	-0.6%	-1.7%
Foreign tax rate differential	1.3%	3.1%	1.7%	1.0%
Nondeductible compensation	-3.1%	2.3%	0.0%	1.9%
Other	0.3%	-3.0%	-0.1%	-1.5%
Effective income tax rate	20.1%	22.9%	23.5%	22.1%

The Company assessed the impact of the recently enacted One Big Beautiful Bill Act on its consolidated financial statements and disclosures and concluded that the changes did not have a material effect.

7. Earnings per Share

Basic earnings per share is computed by dividing net income 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 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 per share are as follows (in thousands, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income attributable to AC's shareholders	$ 15,611	$ 23,242	$ 41,864	$ 40,048
Weighted average number of shares outstanding - basic and diluted	21,012	21,275	21,104	21,389
Basic and Diluted EPS	$ 0.74	$ 1.09	$ 1.98	$ 1.87

8. Equity

Voting Rights

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

Stock Award and Incentive Plan

The Company's Board of Directors periodically grants shares of Phantom Restricted Stock awards ("Phantom RSAs" or "PRSAs"). 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 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, cumulative dividends 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 Stock and cumulative dividends on September 30, 2025 and December 31, 2024, the total liability recorded by the Company in compensation payable in our condensed consolidated statements of financial condition as of September 30, 2025 and December 31, 2024, with respect to the Phantom RSAs was $3.1 million and $4.8 million, respectively.

The following table summarizes our stock-based compensation as well as unrecognized compensation for the three and nine months ended September 30, 2025 and 2024, respectively. Stock-based compensation expense is included in compensation expense in the condensed consolidated statements of income (dollars in thousands, unless otherwise noted):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Stock-based compensation expense	$ 819	$ 734	$ 2,537	$ 1,491
Remaining expense to be recognized, if all vesting conditions are met[1]			7,024	6,751
Weighted average remaining contractual term (in years)			2.2	2.1

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

The following table summarizes 2025 Phantom RSA activity:

	PRSAs	Weighted Average Grant Date Fair Value
Balance at December 31, 2024	301,595	$ 36.52
Granted	95,000	36.66
Forfeited	(5,500)	36.70
Vested	(104,895)	35.55
Balance at September 30, 2025	286,200	$ 36.92

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 of Class A Stock. 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. On February 6, 2024, August 7, 2024 and August 5, 2025, the Board of Directors authorized the repurchase of an additional 350,000, 200,000 and 150,000 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:

For the three months ended September 30, 2025:	**Number of shares purchased**	**Average price per share**
Remaining repurchase authorization June 30, 2025	293,289	
Increase to the authorization on August 5, 2025	150,000	
Share repurchases under stock repurchase program[1]	(361,301)	$ 32.83
Remaining repurchase authorization September 30, 2025	81,988	
For the nine months ended September 30, 2025:		
Remaining repurchase authorization December 31, 2024	353,548	
Increase to the authorization on August 5, 2025	150,000	
Share repurchases under stock repurchase program[1]	(421,560)	$ 33.34
Remaining repurchase authorization September 30, 2025	81,988	

For the three months ended September 30, 2024:	**Number of shares purchased**	**Average price per share**
Remaining repurchase authorization June 30, 2024	323,841	
Increase to the authorization on August 7, 2024	200,000	
Share repurchases under stock repurchase program[1]	(107,218)	$ 31.80
Remaining repurchase authorization September 30, 2024	416,623	
For the nine months ended September 30, 2024:		
Remaining repurchase authorization December 31, 2023	156,664	
Increase to the authorization on February 6, 2024	350,000	
Increase to the authorization on August 7, 2024	200,000	
Share repurchases under stock repurchase program[1]	(290,041)	$ 33.01
Remaining repurchase authorization September 30, 2024	416,623	

(1) Repurchases totaled $11.9 million and $3.4 million for the three month periods ended September 30, 2025 and 2024, respectively. Repurchases totaled $14.1 million and $9.6 million for the nine month periods ended September 30, 2025 and 2024, respectively.

Dividends

The Company declared no dividends during the three months ended September 30, 2025. During the nine months ended September 30, 2025, the Company declared dividends of $0.10 per share to Class A and Class B shareholders totaling $2.1 million. During the three and nine months ended September 30, 2024, the Company declared dividends of $2.00 per share and $2.10 per share, respectively, to Class A and Class B shareholders totaling $42.5 million and $44.6 million, respectively.

9. Segment Information

The Company operates in one business segment, the investment advisory and alternative asset management business. The Company conducts its business principally through Gabelli & Company Investment Advisers, Inc. and its wholly owned subsidiary Gabelli & Partners, LLC. The Company has identified the Executive Chair and the Interim Chief Executive Officer as the chief operating decision maker ("CODM"), who use net income in the condensed consolidated statements of income to evaluate the results of the business to manage the Company. The CODM uses net income in deciding whether to reinvest profits or allocate profits to other uses of capital, such as for acquisitions or to pay dividends. All expense categories on the condensed consolidated statements of income are significant and there are no other significant segment expenses that would require disclosure. Assets provided to the CODM are consistent with those reported on the condensed consolidated statements of financial condition. The Company's operations constitute a single operating segment and, therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in Note 2, Significant Accounting Policies, of the Annual Report on Form 10-K for the year ended December 31, 2024.

10. Goodwill

At September 30, 2025 and December 31, 2024, 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 and nine months ended September 30, 2025 and 2024, and as such there was no impairment analysis performed or charge recorded.

11. Guarantees, Contingencies and Commitments

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

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.

12. Subsequent Events

From October 1, 2025 to November 12, 2025, the Company repurchased 54,477 shares at an average price of $36.38 per share.

On November 7, 2025, the Board of Directors declared a dividend of $0.10 per share, which is payable on December 16, 2025 to Class A and Class B shareholders of record on December 2, 2025.

On November 7, 2025, the Board of Directors authorized a $4.0 million charitable contribution to a private foundation that is a related party in an effort to continue the Company's charitable giving program.

ITEM 4: MANAGEMENT'S DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Quarterly Report (the "Quarterly Report") contains 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," "will," "should," "may," 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 may cause our actual results to differ from our expectations include risks associated with the duration and scope of the ongoing coronavirus pandemic resulting in volatile market conditions, a decline in the securities markets that adversely affect our assets under management, negative performance of our products, the failure to perform as required under our investment management agreements, and a general downturn in the economy that negatively impacts our operations. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We also direct your attention to any more specific discussions of risk contained in our annual reports, quarterly reports, current reports, and other public filings available on OTC Markets (OTCQX: ACGP). 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.

OVERVIEW

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements and the notes thereto included in Item 3 of this Quarterly Report. This discussion contains forward-looking statements and involves numerous risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under "Cautionary Statement Regarding Forward-Looking Statements" above.

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

Alternative Investment Management

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

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

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

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

Proprietary Capital

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

- Gabelli Private Equity Partners, LLC ("GPEP"), formed in August 2017 with $150 million of authorized capital as a "fundless" sponsor.
- Gabelli Principal Strategies Group, LLC ("GPS") was created in December 2015 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.

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

Financial Highlights

The following is a summary of the Company's financial performance for the quarters ended September 30, 2025 and 2024:

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

	Third Quarter	
	2025	2024
AUM - end of period (in millions)	$ 1,409	$ 1,340
AUM - average (in millions)	$ 1,373	$ 1,349
Net income per share-diluted	$ 0.74	$ 1.09
Book value per share at September 30	$ 44.23	$ 42.02

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 market uncertainty caused by global trade and geopolitical conflicts and their impact on the global economy and markets, we could experience higher volatility in the short-term returns of our funds.

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

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

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

Other operating expenses include general and administrative operating costs.

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

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

Condensed Consolidated Statements of Financial Condition

We ended the third quarter of 2025 with approximately $904.8 million in cash and investments, net of securities sold, not yet purchased of $7.0 million. This includes $212.1 million of cash and cash equivalents; $178.4 million of U.S. Treasury obligations; $186.5 million of securities, net of securities sold, not yet purchased, including shares of GAMCO Investors, Inc. ("GAMCO") with a market value of $14.5 million; and $327.8 million invested in affiliated and third-party funds and partnerships, including investments in affiliated closed end funds which have a value of $89.7 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 $918.4 million or $44.23 per share as of September 30, 2025, compared to $892.7 million or $42.14 per share as of December 31, 2024. 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 2024 was largely attributable to income for the year to date period.

RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues				
Investment advisory and incentive fees	$ 2,351	$ 2,310	$ 6,436	$ 7,706
Other revenues	127	105	378	315
Total revenues	2,478	2,415	6,814	8,021
Expenses				
Compensation	5,117	4,215	14,862	11,977
Management fee	2,113	3,312	5,973	5,736
Other operating expenses	1,907	1,804	5,903	5,868
Total expenses	9,137	9,331	26,738	23,581
Operating loss	(6,659)	(6,916)	(19,924)	(15,560)
Other income				
Net gain from investments	19,765	26,173	57,738	42,808
Interest and dividend income	6,665	11,142	17,502	24,985
Interest expense	(36)	(76)	(115)	(228)
Shareholder-designated contribution	-	-	(31)	(449)
Total other income, net	26,394	37,239	75,094	67,116
Income before income taxes	19,735	30,323	55,170	51,556
Income tax expense	3,974	6,933	12,968	11,415
Income before noncontrolling interests	15,761	23,390	42,202	40,141
Income attributable to noncontrolling interests	150	148	338	93
Net income attributable to AC's shareholders	$ 15,611	$ 23,242	$ 41,864	$ 40,048
Net income per share attributable to AC's shareholders:				
Basic and diluted	$ 0.74	$ 1.09	$ 1.98	$ 1.87
Weighted average shares outstanding:				
Basic and diluted	21,012	21,275	21,104	21,389

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

Revenues

Total revenues in the third quarter were $2.5 million compared to $2.4 million in the third quarter of 2024. Revenues generated by the GAMCO International SICAV – GAMCO Merger Arbitrage (the "SICAV") were $1.1 million in the third quarter of 2025 and 2024. All other revenues were $1.4 million compared to $1.3 million in the year ago 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 $15.2 million for the quarter ended September 30, 2025 versus $2.9 million at September 30, 2024.

Expenses

Compensation, which includes variable compensation, salaries, bonuses and benefits, was $5.1 million and $4.2 million for the three month periods ended September 30, 2025 and 2024, respectively, primarily driven by higher variable compensation of $0.9 million, offset partially by lower salary expense. Variable compensation fluctuates with management and incentive fee revenues as well as the investment results of certain proprietary accounts.

Management fee expense represents incentive-based and entirely variable compensation in the amount of 10% of income before management fee and income taxes and excluding the impact of consolidating entities and is payable to Mario J. Gabelli, Executive Chair, or his designee pursuant to his employment agreement. Management fee expense of $2.1 million was recorded for the three-month period ended September 30, 2025 compared to $3.3 million for the three-month period ended September 30, 2024.

Other operating expenses were $1.9 million during the three months ended September 30, 2025 compared to $1.8 million in the prior year's quarter.

Other

Net gain from investments is primarily related to the performance of our securities portfolio and investments in partnerships. Investment gains were $19.8 million in the 2025 quarter compared to $26.2 million in the comparable 2024 quarter. The primary driver of the 2025 quarter's results is the performance of our investments in our merger arbitrage funds.

Interest and dividend income decreased to $6.7 million in the 2025 quarter from $11.1 million in the 2024 quarter primarily driven by a $2 per share special dividend, or approximately $4.6 million, declared on our holdings of GAMCO Investors, Inc. in the 2024 quarter.

Income taxes

The effective tax rate for the three months ended September 30, 2025 and 2024 was 20.1% and 22.9%, respectively.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Revenues

Total revenues for the nine months ended September 30, 2025 were $6.8 million compared to $8.0 million in the nine months ended September 30, 2024. Revenues generated by the GAMCO International SICAV – GAMCO Merger Arbitrage (the "SICAV") were $3.0 million versus $4.0 million in the prior year period. All other revenues were $3.8 million compared to $4.0 million in the year-ago quarter driven by lower average AUM in 2025.

An incentive fee of approximately $1.0 million was earned on Gabelli Merchant Partners Plc (f/k/a Gabelli Merger Plus+ Trust Plc) during the quarter ended September 30, 2025, however due to the Company's controlling ownership interest in the entity, this revenue is eliminated in the consolidation of the entity for financial reporting purposes.

Expenses

Compensation, which includes variable compensation, salaries, bonuses and benefits, was $14.9 million and $12.0 million for the nine months ended September 30, 2025 and 2024, respectively, primarily driven by higher variable based compensation of $2.3 million and higher stock-based compensation expense of $1.0 million in 2025, offset partially by lower salary expense.

Management fee expense represents incentive-based and entirely variable compensation in the amount of 10% of income before management fee and income taxes and excluding the impact of consolidating entities and is payable to Mario J. Gabelli, Executive Chair, or his designee pursuant to his employment agreement. Management fee expense was $6.0 million and $5.7 million for the nine months ended September 30, 2025 and 2024, respectively.

Other operating expenses were $5.9 million during the nine months ended September 30, 2025 and 2024, respectively.

Other

Net gain from investments is primarily related to the performance of our securities portfolio and investments in partnerships. Investment gains were $57.7 million in the 2025 period compared to $42.8 million in the 2024 period. The primary driver of the 2025 period's results is the performance of our investments in our merger arbitrage funds.

Interest and dividend income decreased to $17.5 million in the 2025 period from $25.0 million in the 2024 period primarily driven by a $2 per share special dividend, or approximately $4.6 million, declared on our holdings of GAMCO Investors, Inc.in the 2024 period coupled with lower interest income in 2025 as a result of lower sustained interest rates in the 2025 period.

Shareholder-designated contributions for the nine months ended September 30, 2025 decreased to $31 thousand compared to $0.4 million in the prior year period, driven by timing of contributions.

Income taxes

The effective tax rate for the nine months ended September 30, 2025 and 2024 was 23.5% and 22.1%, respectively.

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 $1.4 billion as of September 30, 2025 compared to $1.2 billion at December 31, 2024. The increase from year-end was primarily attributable to market appreciation and net investor inflows.

Assets Under Management (in millions)

				% Change From	
	September 30, 2025	**December 31, 2024**	**September 30, 2024**	**December 31, 2024**	**September 30, 2024**
Merger Arbitrage[(a)]	$ 1,132	$ 1,003	$ 1,095	12.9	3.4
Long/Short Value[(b)]	239	209	208	14.4	14.9
Other	38	36	37	5.6	2.7
Total AUM	$ 1,409	$ 1,248	$ 1,340	12.9	5.1

(a) Includes $494, $408, and $431 of sub-advisory AUM related to GAMCO International SICAV - GAMCO Merger Arbitrage, $72, $68, and $68 of sub-advisory AUM related to Gabelli Merchant Partners Plc (f/k/a Gabelli Merger Plus+ Trust Plc), respectively.
(b) Assets under management represent the assets invested in this strategy that are attributable to Associated Capital Group, Inc.

Fund flows for the three months ended September 30, 2025 (in millions):

	June 30, 2025	**Market Appreciation**	**Foreign Currency[(1)]**	**Net Inflows/ (Outflows)**	**September 30, 2025**
Merger Arbitrage	$ 1,078	$ 35	$ (4)	$ 23	$ 1,132
Long/Short Value	228	12	-	(1)	239
Other	36	2	-	-	38
Total AUM	$ 1,342	$ 49	$ (4)	$ 22	$ 1,409

(1) Reflects the impact of currency fluctuations of non-US dollar denominated 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 $67 million for the quarter ended September 30, 2025 due to market appreciation of $49 million and net investor inflows of $22 million, partially offset by the impact of currency fluctuations in non-US dollar denominated classes of investment funds of $4 million.

Liquidity and Capital Resources

Our principal assets consist of cash and cash equivalents; treasury securities; marketable securities, primarily equities, including 0.6 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):

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Cash flows (used in)/provided by:		
Operating activities	$ (74,896)	$ (45,844)
Investing activities	2,355	(2,962)
Financing activities	(16,178)	(12,072)
Net decrease in cash, cash equivalents and restricted cash	(88,719)	(60,878)
Cash, cash equivalents and restricted cash at beginning of period	325,703	347,057
Cash, cash equivalents and restricted cash at end of period	$ 236,984	$ 286,179

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 September 30, 2025, we had cash and cash equivalents of $212.1 million, Investments in U.S. Treasury Bills of $178.4 million and $186.5 million of investments net of securities sold, not yet purchased of $7.0 million. Included in cash and cash equivalents as of September 30, 2025 is $12.0 million which is held by consolidated investment funds and may not be readily available for the Company to access.

Net cash used in operating activities was $74.9 million for the nine months ended September 30, 2025. Operating cash flows in 2025 are driven by $80.3 million of net increases in securities and adjustments for noncash items, primarily gains on investments securities and partnership investments and deferred taxes, of $49.3 million. These uses were offset partially by our net income of $42.2 million, net distributions from investment partnerships of $6.4 million and $6.1 million of net receivables/payables. Net cash provided by investing activities was $2.4 million primarily due to proceeds from sales of securities of $3.5 million and return of capital on securities of $1.0 million, partially offset by purchases of securities of $2.1 million. Net cash used in financing activities was $16.2 million resulting primarily from stock buyback payments of $14.1 million and dividends paid of $2.1 million.

Net cash used in operating activities was $45.8 million for the nine months ended September 30, 2024. Operating cash flows in 2024 are driven by an increase in trading securities of $54.1 million, primarily driven by the investment of cash and cash equivalents into treasuries with maturities in excess of 90 days. In addition, also contributing to the cash used in operating activities was $34.1 million of adjustments for noncash items, primarily gains on investment securities and partnership investments, and $10.4 million of net receivables/payables. These uses of operating cash were partially offset by our net income of $40.1 million and net distributions from partnerships of $12.7 million. Net cash used in investing activities was $3.0 million primarily due to purchases of securities of $9.2 million, partially offset by proceeds from sales of securities of $5.0 million and return of capital on securities of $1.2 million. Net cash used in financing activities was $12.1 million resulting primarily from stock buyback payments of $9.6 million, dividends paid of $2.1 million and redemptions of redeemable noncontrolling interests of $0.4 million.

Critical Accounting Policies and Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from those estimates. See Note 1 and the Company's Critical Accounting Policies in Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations in AC's 2024 Annual Report on Form 10-K filed with the SEC on March 19, 2025 for details on Critical Accounting Policies.

ITEM 5. LEGAL PROCEEDINGS

The information required with respect to this item can be found in Note 10, *Commitments and Contingencies* of the notes to the Company's unaudited interim condensed consolidated financial statements contained in this Quarterly Report, and such information is incorporated by reference into this Item 5.

ITEM 6. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 7. OTHER INFORMATION

Not applicable.

ITEM 8. EXHIBITS

No exhibits.

Purchases of equity securities by the issuer and affiliated purchasers were included in Item 2 of this Quarterly Report.

ITEM 9. CERTIFICATIONS

Certification by the co-principal executive officers

I, Patrick B. Huvane, certify that:

1. I have reviewed this Quarterly Report of Associated Capital Group, Inc.;

2. Based on my knowledge, this Quarterly 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 Quarterly Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Date: November 12, 2025

/s/ Patrick B. Huvane
Name: Patrick B. Huvane
Title: Interim Chief Executive Officer (Principal Executive Officer)

Certification by the principal financial officer

I, Ian J. McAdams, certify that:

1. I have reviewed this Quarterly Report of Associated Capital Group, Inc.;

2. Based on my knowledge, this Quarterly 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 Quarterly Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Date: November 12, 2025

/s/ Ian J. McAdams
Name: Ian J. McAdams
Title: Chief Financial Officer (Principal Financial Officer)