
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2018

SILVERCREST ASSET MANAGEMENT GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35733
(Commission
File Number)

45-5146560
(IRS Employer
Identification No.)

1330 Avenue of the Americas, 38th Floor
New York, New York
(Address of principal executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code: (212) 649-0600

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition

On November 1, 2018, Silvercrest Asset Management Group Inc. (the “Company”) issued a press release announcing certain consolidated financial and operating results for the three and nine months ended September 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

The information furnished in this Form 8-K, including the exhibit hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release of Silvercrest Asset Management Group Inc. dated November 1, 2018

EXHIBIT LIST

Exhibit Number	Description of Exhibit
99.1	<u>Press Release of Silvercrest Asset Management Group Inc. dated November 1, 2018</u>

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 hereunto duly authorized.

Dated: November 1, 2018

Silvercrest Asset Management Group Inc.

By: /s/ Scott A. Gerard

Name: Scott A. Gerard

Title: Chief Financial Officer



Silvercrest Asset Management Group Inc. Reports Q3 2018 Results

New York, NY – November 1, 2018 - Silvercrest Asset Management Group Inc. (NASDAQ: SAMG) (the "Company" or "Silvercrest") today reported the results of its operations for the quarter ended September 30, 2018.

Business Update

Silvercrest experienced an increase of approximately \$430 million in its discretionary AUM during the third quarter of 2018, a quarterly increase of 3%, primarily driven by capital markets. Silvercrest's discretionary AUM drives the firm's revenue and it has increased \$1.3 billion year over year, driven by good capital markets and new client organic growth. The firm achieved a new high of \$16.6 billion in discretionary assets under management to end the third quarter of 2018. As a result of increased discretionary assets, Silvercrest's quarterly revenue increased by 9.1% year over year.

We announced during our second quarter that Silvercrest would complete its investment in its outsourced CIO business with the addition of professionals to complement the firm's superb investment team. We plan to aggressively grow this business, and the firm has developed a good pipeline of opportunities. Silvercrest also has laid the groundwork for future growth in the high net worth business and has launched a value-added family business advisory capability. We are determined to grow our wealth management, institutional asset management, outsourced CIO and family office businesses. We remain prepared to use our capital for new strategic initiatives, the hiring of intellectual capital and potential acquisitions, including new asset management capabilities.

On October 30, 2018, the Company's Board of Directors declared a quarterly dividend of \$0.14 per share of Class A common stock. The dividend will be paid on or about December 21, 2018 to shareholders of record as of the close of business on December 14, 2018.

Third Quarter 2018 Highlights

- Total Assets Under Management ("AUM") of \$21.7 billion, inclusive of discretionary AUM of \$16.6 billion and non-discretionary AUM of \$5.1 billion at September 30, 2018.
- Revenue of \$24.9 million.
- U.S. Generally Accepted Accounting Principles ("GAAP") consolidated net income and net income attributable to Silvercrest of \$3.9 million and \$2.2 million, respectively.
- Basic and diluted net income per share of \$0.26.
- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")¹ of \$7.0 million.
- Adjusted net income¹ of \$4.2 million.
- Adjusted basic and diluted earnings per share^{1, 2} of \$0.31.

The table below presents a comparison of certain GAAP and non-GAAP ("adjusted") financial measures and AUM.

(in thousands except as indicated)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue	\$ 24,932	\$ 22,845	\$ 73,840	\$ 66,887
Income before other income (expense), net	\$ 5,166	\$ 5,316	\$ 15,913	\$ 15,217
Net income	\$ 3,893	\$ 3,714	\$ 12,136	\$ 10,614
Net income margin	15.6%	16.3%	16.4%	15.9%
Net income attributable to Silvercrest	\$ 2,162	\$ 1,872	\$ 6,730	\$ 5,417
Net income per basic and diluted share	\$ 0.26	\$ 0.23	\$ 0.81	\$ 0.67
Adjusted EBITDA ¹	\$ 7,044	\$ 7,024	\$ 21,061	\$ 20,290
Adjusted EBITDA margin ¹	28.3%	30.7%	28.5%	30.3%
Adjusted net income ¹	\$ 4,199	\$ 3,289	\$ 12,550	\$ 9,444
Adjusted basic earnings per share ^{1, 2}	\$ 0.31	\$ 0.25	\$ 0.93	\$ 0.72
Adjusted diluted earnings per share ^{1, 2}	\$ 0.31	\$ 0.24	\$ 0.92	\$ 0.69
Assets under management at period end (billions)	\$ 21.7	\$ 20.6	\$ 21.7	\$ 20.6
Average assets under management (billions) ³	\$ 21.8	\$ 20.3	\$ 21.5	\$ 19.6
Discretionary assets under management (billions)	\$ 16.6	\$ 15.3	\$ 16.6	\$ 15.3

¹ Adjusted measures are non-GAAP measures and are explained and reconciled to the comparable GAAP measures in Exhibits 2 and 3.

² Adjusted basic and diluted earnings per share measures for the three and nine months ended September 30, 2018 are based on the number of shares of Class A common stock and Class B common stock outstanding as of September 30, 2018. Adjusted diluted earnings per share are further based on the addition of unvested deferred equity units, restricted stock units, and performance units to the extent dilutive at the end of the reporting period.

³ We have computed average AUM by averaging AUM at the beginning of the applicable period and AUM at the end of the applicable period.

AUM at \$21.7 billion

Silvercrest's discretionary assets under management increased by \$1.3 billion, or 8.5%, to \$16.6 billion at September 30, 2018 from \$15.3 billion at September 30, 2017. The increase was attributable to market appreciation of \$1.1 billion and net client inflows of \$0.2 billion. Silvercrest's total AUM increased by \$1.1 billion, or 5.3%, to \$21.7 billion at September 30, 2018 from \$20.6 billion at September 30, 2017. The increase was attributable to market appreciation of \$1.8 billion and net client outflows of \$0.7 billion.

Silvercrest's discretionary assets under management increased by \$0.4 billion, or 2.5%, to \$16.6 billion at September 30, 2018 from \$16.2 billion at June 30, 2018. The increase was attributable to market appreciation of \$0.5 billion partially offset by net client outflows of \$0.1 billion. Silvercrest's total AUM decreased by \$0.1 billion, or 0.5%, to \$21.7 billion at September 30, 2018 from \$21.8 billion June 30, 2018. The decrease was attributable to net client outflows of \$1.0 billion, partially offset by market appreciation of \$0.9 billion.

Third Quarter 2018 vs. Third Quarter 2017

Revenue increased by \$2.1 million, or 9.1%, to \$24.9 million for the three months ended September 30, 2018, from \$22.8 million for the three months ended September 30, 2017. This increase was driven primarily by growth in our management and advisory fees as a result of increased assets under management.

Total expenses increased by \$2.2 million, or 12.8%, to \$19.7 million for the three months ended September 30, 2018 from \$17.5 million for the three months ended September 30, 2017. Compensation and benefits expense increased by \$1.4 million, or 10.7%, to \$14.9 million for the three months ended September 30, 2018 from \$13.5 million for the three months ended September 30, 2017. The increase was primarily attributable to an increase in the accrual for bonuses of \$1.3 million and an increase in salaries expense of \$0.1 million primarily as a result of merit-based increases and newly hired staff. General and administrative expenses increased by \$0.8 million, or 19.8%, to \$4.8 million for the three months ended September 30, 2018 from \$4.0 million for the three months ended September 30, 2017. The increase was primarily attributable to an increase in occupancy costs of \$0.5 million mainly due to an increase in rent expense associated with the extension of the lease for our office space in New York and an increase in recruiting costs of \$0.3 million related to newly hired staff.

Consolidated net income was \$3.9 million or 15.6% of revenue for the three months ended September 30, 2018 as compared to \$3.7 million or 16.3% of revenue for the same period in the prior year. Net income attributable to Silvercrest was \$2.2 million, or \$0.26 per basic and diluted share for the three months ended September 30, 2018. Our Adjusted Net Income¹ was \$4.2 million, or \$0.31 per adjusted basic share and \$0.31 per adjusted diluted share² for the three months ended September 30, 2018.

Adjusted EBITDA¹ was \$7.0 million or 28.3% of revenue for the three months ended September 30, 2018 as compared to \$7.0 million or 30.7% of revenue for the same period in the prior year.

Nine Months Ended September 30, 2018 vs. Nine Months Ended September 30, 2017

Revenue increased by \$6.9 million, or 10.4%, to \$73.8 million for the nine months ended September 30, 2018, from \$66.9 million for the nine months ended September 30, 2017. This increase was driven primarily by growth in our management and advisory fees as a result of increased assets under management.

Total expenses increased by \$6.3 million, or 12.1%, to \$57.9 million for the nine months ended September 30, 2018 from \$51.7 million for the nine months ended September 30, 2017. Compensation and benefits expense increased by \$4.1 million, or 10.3%, to \$43.7 million for the nine months ended September 30, 2018 from \$39.6 million for the nine months ended September 30, 2017. The increase was primarily attributable to an increase in the accrual for bonuses of \$4.0 million and an increase in salaries expense of \$0.1 million primarily as a result of merit-based increases and newly-hired staff. General and administrative expenses increased by \$2.2 million, or 18.0%, to \$14.2 million for the nine months ended September 30, 2018 from \$12.1 million for the nine months ended September 30, 2017. The increase was primarily attributable to an increase in occupancy costs of \$1.2 million mainly due to an increase in rent expense associated with the extension of the lease for our office space in New York, an increase in sub-advisory and referral fees of \$0.1 million due to an increase in sub-advisory revenue, an increase in recruiting costs of \$0.3 million related to newly hired staff, an increase in bank fees of \$0.1 and an increase in portfolio and systems expenses of \$0.6 million due to an increase in accrued soft dollar-related research costs. This was partially offset by a decrease in depreciation and amortization of \$0.1 million.

Consolidated net income was \$12.1 million or 16.4% of revenue for the nine months ended September 30, 2018 as compared to \$10.6 million or 15.9% of revenue for the same period in the prior year. Net income attributable to Silvercrest was \$6.7 million, or \$0.81 per basic and diluted share for the nine months ended September 30, 2018. Our Adjusted Net Income¹ was \$12.6 million, or \$0.93 per adjusted basic share and \$0.92 per adjusted diluted share² for the nine months ended September 30, 2018.

Adjusted EBITDA¹ was \$21.1 million or 28.5% of revenue for the nine months ended September 30, 2018 as compared to \$20.3 million or 30.3% of revenue for the same period in the prior year.

Liquidity and Capital Resources

Cash and cash equivalents were \$57.7 million at September 30, 2018, compared to \$53.8 million at December 31, 2017. Silvercrest L.P. had notes payable of \$0 at September 30, 2018 and \$0.7 million at December 31, 2017. As of September 30, 2018, there was nothing outstanding on our revolving credit facility with City National Bank.

Total Silvercrest Asset Management Group Inc.'s equity was \$53.4 million at September 30, 2018. We had 8,345,635 shares of Class A common stock outstanding and 5,106,564 shares of Class B common stock outstanding at September 30, 2018.

Non-GAAP Financial Measures

To provide investors with additional insight, promote transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making, we supplement our consolidated financial statements presented on a basis consistent with GAAP with Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted Earnings Per Share which are non-GAAP financial measures of earnings. These adjustments, and the non-GAAP financial measures that are derived from them, provide supplemental information to analyze our operations between periods and over time. Investors should consider our non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP.

- EBITDA represents net income before provision for income taxes, interest income, interest expense, depreciation and amortization.
- We define Adjusted EBITDA as EBITDA without giving effect to the Delaware franchise tax, professional fees associated with acquisitions or financing transactions, gains on extinguishment of debt or other obligations related to acquisitions, impairment charges and losses on disposals or abandonment of assets and leaseholds, client reimbursements and fund redemption costs, severance and other similar expenses, but including partner incentive allocations, prior to our initial public offering, as an expense. We feel that it is important to management and investors to supplement our consolidated financial statements presented on a GAAP basis with Adjusted EBITDA, a non-GAAP financial measure of earnings, as this measure provides a perspective of recurring earnings of the Company, taking into account earnings attributable to both Class A and Class B shareholders.
- Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenue. We feel that it is important to management and investors to supplement our consolidated financial statements presented on a GAAP basis with Adjusted

EBITDA Margin, a non-GAAP financial measure of earnings, as this measure provides a perspective of recurring profitability of the Company, taking into account profitability attributable to both Class A and Class B shareholders.

- Adjusted Net Income represents recurring net income without giving effect to professional fees associated with acquisitions or financing transactions, losses on forgiveness of notes receivable from our principals, gains on extinguishment of debt or other obligations related to acquisitions, impairment charges and losses on disposals or abandonment of assets and leaseholds, client reimbursements and fund redemption costs, severance and other similar expenses, but including partner incentive allocations, prior to our initial public offering, as an expense. Furthermore, Adjusted Net Income includes income tax expense assuming a blended corporate rate of 26% for periods beginning on January 1, 2018 as a result of the Tax Cuts and Jobs Act, and 40% for periods prior to 2018. We feel that it is important to management and investors to supplement our consolidated financial statements presented on a GAAP basis with Adjusted Net Income, a non-GAAP financial measure of earnings, as this measure provides a perspective of recurring income of the Company, taking into account income attributable to both Class A and Class B shareholders.
- Adjusted Earnings Per Share represents Adjusted Net Income divided by the actual Class A and Class B shares outstanding as of the end of the reporting period for basic Adjusted Earnings Per Share, and to the extent dilutive, we add unvested deferred equity units, restricted stock units and performance units to the total shares outstanding to compute diluted Adjusted Earnings Per Share. As a result of our structure, which includes a non-controlling interest, we feel that it is important to management and investors to supplement our consolidated financial statements presented on a GAAP basis with Adjusted Earnings Per Share, a non-GAAP financial measure of earnings, as this measure provides a perspective of recurring earnings per share of the Company as a whole as opposed to being limited to our Class A common stock.

Conference Call

The Company will host a conference call on November 2, 2018, at 8:30 am (Eastern Time) to discuss these results. Hosting the call will be Richard R. Hough III, Chief Executive Officer and President and Scott A. Gerard, Chief Financial Officer. Listeners may access the call by dialing 1-866-394-9665 or for international listeners the call may be accessed by dialing 1-253-237-1128. An archived replay of the call will be available after the completion of the live call on the Investor Relations page of the Silvercrest website at <http://ir.silvercrestgroup.com/>.

Forward-Looking Statements and Other Disclosures

This report contains, and from time to time our management may make, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may”, “might”, “will”, “should”, “expects”, “intends”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue”, the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions, may include projections of our future financial performance, future expenses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in our business or financial results. These statements are only predictions based on our current expectations and projections about future events. Important factors that could cause actual results, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements include but are not limited to: incurrence of net losses, fluctuations in quarterly and annual results, adverse economic or market conditions, our expectations with respect to future levels of assets under management, inflows and outflows, our ability to retain clients from whom we derive a substantial portion of our assets under management, our ability to maintain our fee structure, our particular choices with regard to investment strategies employed, our ability to hire and retain qualified investment professionals, the cost of complying with current and future regulation coupled with the cost of defending ourselves from related investigations or litigation, failure of our operational safeguards against breaches in data security, privacy, conflicts of interest or employee misconduct, our expected tax rate, and our expectations with respect to deferred tax assets, adverse economic or market conditions, incurrence of net losses, adverse effects of management focusing on implementation of a growth strategy, failure to develop and maintain the Silvercrest brand and other factors disclosed under “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2017 which is accessible on the SEC’s website at www.sec.gov. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

About Silvercrest

Silvercrest was founded in April 2002 as an independent, employee-owned registered investment adviser. With offices in New York, Boston, Virginia and New Jersey, Silvercrest provides traditional and alternative investment advisory and family office services to wealthy families and select institutional investors.

Silvercrest Asset Management Group Inc.

Contact: Richard Hough

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Silvercrest Asset Management Group Inc.
Consolidated Statements of Operations
(Unaudited and in thousands, except share and per share amounts or as noted)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Revenue				
Management and advisory fees	\$ 23,841	\$ 21,774	\$ 70,683	\$ 63,900
Performance fees and allocations	—	—	—	10
Family office services	1,091	1,071	3,157	2,977
Total revenue	24,932	22,845	73,840	66,887
Expenses				
Compensation and benefits	14,949	13,508	43,706	39,618
General and administrative	4,817	4,021	14,221	12,052
Total expenses	19,766	17,529	57,927	51,670
Income before other income (expense), net	5,166	5,316	15,913	15,217
Other income (expense), net				
Other income, net	(23)	8	(5)	24
Interest income	70	11	199	33
Interest expense	(7)	(17)	(36)	(85)
Total other income (expense), net	40	2	158	(28)
Income before provision for income taxes	5,206	5,318	16,071	15,189
Provision for income taxes	1,313	1,604	3,935	4,575
Net income	3,893	3,714	12,136	10,614
Less: net income attributable to non-controlling interests	(1,731)	(1,842)	(5,406)	(5,197)
Net income attributable to Silvercrest	\$ 2,162	\$ 1,872	\$ 6,730	\$ 5,417
Net income per share:				
Basic	\$ 0.26	\$ 0.23	\$ 0.81	\$ 0.67
Diluted	\$ 0.26	\$ 0.23	\$ 0.81	\$ 0.67
Weighted average shares outstanding:				
Basic	8,321,927	8,119,444	8,266,359	8,101,077
Diluted	8,325,718	8,125,131	8,270,984	8,108,893

Silvercrest Asset Management Group Inc.
Reconciliation of GAAP to non-GAAP (“Adjusted”) Adjusted EBITDA Measure
(Unaudited and in thousands, except share and per share amounts or as noted)

Adjusted EBITDA	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Reconciliation of non-GAAP financial measure:				
Net income	\$ 3,893	\$ 3,714	\$ 12,136	\$ 10,614
Provision for income taxes	1,313	1,604	3,935	4,575
Delaware Franchise Tax	25	45	150	135
Interest expense	7	17	36	85
Interest income	(70)	(11)	(199)	(33)
Depreciation and amortization	599	704	1,832	2,051
Equity-based compensation	833	832	2,433	2,447
Other adjustments (A)	444	119	738	416
Adjusted EBITDA	\$ 7,044	\$ 7,024	\$ 21,061	\$ 20,290
Adjusted EBITDA Margin	28.3%	30.7%	28.5%	30.3%

(A) Other adjustments consist of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Non-acquisition expansion costs (a)	\$ 90	\$ 69	\$ 247	\$ 120
Severance	—	45	—	168
Other (b)	354	5	491	128
Total other adjustments	\$ 444	\$ 119	\$ 738	\$ 416

- (a) For the three months ended September 30, 2018 and 2017, represents accrued earnout of \$90 and \$69, respectively, related to our Richmond, VA office expansion. For the nine months ended September 30, 2018 and 2017, represents accrued earnout of \$247 and \$120, respectively, related to our Richmond, VA office expansion.
- (b) For the three and nine months ended September 30, 2018, represents professional fees of \$0 and \$15, respectively, for services related to the Tax Cuts and Jobs Act, \$318 and \$423, respectively, related to a sign on bonus paid to certain employees, a loss on disposal of certain computer equipment of \$36 and \$36, and professional fees related to the relocation of network equipment of \$0 and \$17, respectively. For the three and nine months ended September 30, 2017, represents professional fees of \$5 and \$5, respectively, related to a technology initiative, a sign on bonus paid to a certain employee of \$0 and \$105, respectively, and professional fees of \$0 and \$18, respectively, related to a readiness assessment in advance of the requirements of Section 404 of the Sarbanes-Oxley Act as it relates to emerging growth companies.

Silvercrest Asset Management Group Inc.
Reconciliation of GAAP to non-GAAP (“Adjusted”)
Adjusted Net Income and Adjusted Earnings Per Share Measures
(Unaudited and in thousands, except per share amounts or as noted)

Adjusted Net Income and Adjusted Earnings Per Share	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Reconciliation of non-GAAP financial measure:				
Consolidated net income	\$ 3,893	\$ 3,714	\$ 12,136	\$ 10,614
GAAP Provision for income taxes	1,313	1,604	3,935	4,575
Delaware Franchise Tax	25	45	150	135
Other adjustments (See A in Exhibit 2)	444	119	738	416
Adjusted earnings before provision for income taxes	5,675	5,482	16,959	15,740
Adjusted provision for income taxes:				
Adjusted provision for income taxes (26% and 40% assumed tax rate, for 2018 and 2017 respectively)	(1,476)	(2,193)	(4,409)	(6,296)
Adjusted net income	\$ 4,199	\$ 3,289	\$ 12,550	\$ 9,444
GAAP net income per share (B):				
Basic and diluted	<u>\$ 0.26</u>	<u>\$ 0.23</u>	<u>\$ 0.81</u>	<u>\$ 0.67</u>
Adjusted earnings per share/unit (B):				
Basic	<u>\$ 0.31</u>	<u>\$ 0.25</u>	<u>\$ 0.93</u>	<u>\$ 0.72</u>
Diluted	<u>\$ 0.31</u>	<u>\$ 0.24</u>	<u>\$ 0.92</u>	<u>\$ 0.69</u>
Consolidated net income		\$ 3,714		\$ 10,614
Consolidated GAAP provision for income taxes		1,604		4,575
Delaware Franchise Tax		45		135
Other adjustments (See A in Exhibit 3)		119		416
Adjusted income before provision for income taxes		\$ 5,482		\$ 15,740
Adjusted provision for income taxes:				
Adjusted provision for income taxes (26% assumed tax rate) (C)		(1,425)		(4,092)
Adjusted net income		\$ 4,057		\$ 11,648
Adjusted earnings per share/unit (B):				
Basic		<u>\$ 0.31</u>		<u>\$ 0.88</u>
Diluted		<u>\$ 0.30</u>		<u>\$ 0.85</u>
Shares/units outstanding:				
Basic Class A shares outstanding	8,346	8,131	8,346	8,131
Basic Class B shares/units outstanding	5,106	5,070	5,106	5,070
Total basic shares/units outstanding	<u>13,452</u>	<u>13,201</u>	<u>13,452</u>	<u>13,201</u>
Diluted Class A shares outstanding (D)	8,350	8,137	8,350	8,137
Diluted Class B shares/units outstanding (E)	5,350	5,556	5,350	5,556
Total diluted shares/units outstanding	<u>13,700</u>	<u>13,693</u>	<u>13,700</u>	<u>13,693</u>

(B) GAAP earnings per share is strictly attributable to Class A shareholders. Adjusted earnings per share takes into account earnings attributable to both Class A and Class B shareholders.

(C) 40% was the assumed tax rate for periods prior to January 1, 2018. As a result of the Tax Cuts and Jobs Act, the Company has also presented 2017 Adjusted net income and Adjusted earnings per share measures using the assumed tax rate of 26%.

(D) Includes 3,792 and 5,687 unvested restricted stock units at September 30, 2018 and 2017, respectively.

(E) Includes 243,523 and 486,098 unvested restricted stock units at September 30, 2018 and 2017, respectively.

Silvercrest Asset Management Group Inc.
Consolidated Statements of
Financial Condition
(in thousands)

	September 30, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and cash equivalents	\$ 57,715	\$ 53,822
Investments	16	626
Receivables, net	7,949	9,436
Due from Silvercrest Funds	2,763	1,094
Furniture, equipment and leasehold improvements, net	2,491	2,453
Goodwill	25,168	25,168
Intangible assets, net	10,313	11,578
Deferred tax asset – tax receivable agreement	12,299	11,838
Prepaid expenses and other assets	1,989	1,345
Total assets	\$ 120,703	\$ 117,360
Liabilities and Equity		
Accounts payable and accrued expenses	\$ 2,139	\$ 3,506
Accrued compensation	23,879	28,274
Notes payable	—	740
Deferred rent	7,204	3,473
Deferred tax and other liabilities	9,692	9,248
Total liabilities	42,914	45,241
Commitments and Contingencies		
Equity		
Preferred Stock, par value \$0.01, 10,000,000 shares authorized; none issued and outstanding	—	—
Class A Common Stock, par value \$0.01, 50,000,000 shares authorized; 8,345,635 and 8,142,120 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	83	81
Class B Common Stock, par value \$0.01, 25,000,000 shares authorized; 5,106,564 and 5,059,319 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	50	49
Additional Paid-In Capital	42,682	41,606
Retained earnings	10,614	7,359
Total Silvercrest Asset Management Group Inc.'s equity	53,429	49,095
Non-controlling interests	24,360	23,024
Total equity	77,789	72,119
Total liabilities and equity	\$ 120,703	\$ 117,360

Silvercrest Asset Management Group Inc.
Total Assets Under Management
(Unaudited and in billions)

Total Assets Under Management:

	Three Months Ended September 30,		% Change From September 30, 2017
	2018	2017	
Beginning assets under management	\$ 21.8	\$ 19.9	9.6%
Gross client inflows	2.0	1.8	11.1%
Gross client outflows	(3.0)	(1.8)	66.7%
Market appreciation	0.9	0.7	28.6%
Ending assets under management	\$ 21.7	\$ 20.6	5.3%

	Nine Months Ended September 30,		% Change From September 30, 2017
	2018	2017	
Beginning assets under management	\$ 21.3	\$ 18.6	14.5%
Gross client inflows	6.5	5.3	22.6%
Gross client outflows	(7.3)	(4.9)	49.0%
Market appreciation	1.2	1.6	(25.0)%
Ending assets under management	\$ 21.7	\$ 20.6	5.3%

Silvercrest Asset Management Group Inc.
Discretionary Assets Under Management
(Unaudited and in billions)

Discretionary Assets Under Management:

	Three Months Ended September 30,		% Change From September 30,
	2018	2017	2017
Beginning assets under management	\$ 16.2	\$ 14.7	10.2%
Gross client inflows	2.0	1.6	25.0%
Gross client outflows	(2.1)	(1.6)	31.3%
Market appreciation	0.5	0.6	(16.7)%
Ending assets under management	\$ 16.6	\$ 15.3	8.5%

	Nine Months Ended September 30,		% Change From September 30,
	2018	2017	2017
Beginning assets under management	\$ 16.0	\$ 13.8	15.9%
Gross client inflows	6.2	4.9	26.5%
Gross client outflows	(6.2)	(4.5)	37.8%
Market appreciation	0.6	1.1	(45.5)%
Ending assets under management	\$ 16.6	\$ 15.3	8.5%

Silvercrest Asset Management Group Inc.
 Non-Discretionary Assets Under Management
 (Unaudited and in billions)

Non-Discretionary Assets Under Management:

	Three Months Ended September 30,		% Change From September 30,
	2018	2017	2017
Beginning assets under management	\$ 5.6	\$ 5.2	7.7%
Gross client inflows	—	0.2	(100.0)%
Gross client outflows	(0.9)	(0.2)	350.0%
Market appreciation	0.4	0.1	300.0%
Ending assets under management	\$ 5.1	\$ 5.3	(3.8)%

	Nine Months Ended September 30,		% Change From September 30,
	2018	2017	2017
Beginning assets under management	\$ 5.3	\$ 4.8	10.4%
Gross client inflows	0.3	0.4	(25.0)%
Gross client outflows	(1.1)	(0.4)	175.0%
Market appreciation	0.6	0.5	20.0%
Ending assets under management	\$ 5.1	\$ 5.3	(3.8)%

Silvercrest Asset Management Group Inc.
Assets Under Management
(Unaudited and in billions)

	Three Months Ended September 30,	
	2018	2017
Total AUM as of June 30,	\$ 21.774	\$ 19.884
Discretionary AUM:		
Total Discretionary AUM as of June 30,	16.157	14.709
New client accounts/assets	0.069	0.065 (1)
Closed accounts	(0.095)	(0.012)(2)
Net cash inflow/(outflow)	(0.020)	(0.025)(3)
Non-discretionary to discretionary AUM	0.001	(0.009)(4)
Market appreciation	0.472	0.578
Change to Discretionary AUM	0.427	0.597
Total Discretionary AUM as of September 30,	16.584	15.307
Change to Non-Discretionary AUM	(0.454)	0.121 (5)
Total AUM as of September 30,	\$ 21.747	\$ 20.602

	Nine Months Ended September 30,	
	2018	2017
Total AUM as of January 1,	\$ 21.340	\$ 18.602
Discretionary AUM:		
Total Discretionary AUM as of January 1,	15.998	13.801
New client accounts/assets	0.332	0.257 (1)
Closed accounts	(0.138)	(0.033)(2)
Net cash inflow/(outflow)	(0.187)	0.194 (3)
Non-discretionary to discretionary AUM	(0.002)	(0.008)(4)
Market appreciation	0.551	1.096
Change to Discretionary AUM	0.556	1.505
Total Discretionary AUM as of September 30,	16.554	15.307
Change to Non-Discretionary AUM	(0.149)	0.495 (5)
Total AUM as of September 30,	\$ 21.747	\$ 20.602

- (1) Represents new account flows from both new and existing client relationships
(2) Represents closed accounts of existing client relationships and those that terminated
(3) Represents periodic cash flows related to existing accounts
(4) Represents client assets that converted to Discretionary AUM from Non-Discretionary AUM
(5) Represents the net change to Non-Discretionary AUM

Silvercrest Asset Management Group Inc.
Equity Investment Strategy Composite Performance^{1, 2}
As of September 30, 2018
(Unaudited)

PROPRIETARY EQUITY PERFORMANCE ^{1, 2} AS OF 9/30/2018	ANNUALIZED PERFORMANCE					
	INCEPTION	1-YEAR	3-YEAR	5-YEAR	7-YEAR	INCEPTION
Large Cap Value Composite	4/1/02	16.8	19.1	13.8	17.0	9.4
Russell 1000 Value Index		9.5	13.6	10.7	15.0	7.5
Small Cap Value Composite	4/1/02	7.2	15.5	11.3	16.9	11.4
Russell 2000 Value Index		9.3	16.1	9.9	15.3	8.7
Smid Cap Value Composite	10/1/05	10.5	18.1	13.3	17.4	10.8
Russell 2500 Value Index		10.2	14.5	10.0	15.3	8.2
Multi Cap Value Composite	7/1/02	12.8	17.4	13.1	17.0	10.2
Russell 3000 Value Index		9.5	13.8	10.7	15.0	8.3
Equity Income Composite	12/1/03	14.3	19.0	13.9	17.1	12.3
Russell 3000 Value Index		9.5	13.8	10.7	15.0	8.5
Focused Value Composite	9/1/04	14.5	18.4	13.4	17.6	11.5
Russell 3000 Value Index		9.5	13.8	10.7	15.0	8.2

¹ Returns are based upon a time weighted rate of return of various fully discretionary equity portfolios with similar investment objectives, strategies and policies and other relevant criteria managed by Silvercrest Asset Management Group LLC (“SAMG LLC”), a subsidiary of Silvercrest. Performance results are gross of fees and net of commission charges. An investor’s actual return will be reduced by the management and advisory fees and any other expenses it may incur in the management of the investment advisory account. SAMG LLC’s standard management and advisory fees are described in Part 2 of its Form ADV. Actual fees and expenses will vary depending on a variety of factors, including the size of a particular account. Returns greater than one year are shown as annualized compounded returns and include gains and accrued income and reinvestment of distributions. Past performance is no guarantee of future results. This piece contains no recommendations to buy or sell securities or a solicitation of an offer to buy or sell securities or investment services or adopt any investment position. This piece is not intended to constitute investment advice and is based upon conditions in place during the period noted. Market and economic views are subject to change without notice and may be untimely when presented here. Readers are advised not to infer or assume that any securities, sectors or markets described were or will be profitable. SAMG LLC is an independent investment advisory and financial services firm created to meet the investment and administrative needs of individuals with substantial assets and select institutional investors. SAMG LLC claims compliance with the Global Investment Performance Standards (GIPS®).

² The market indices used to compare to the performance of Silvercrest’s strategies are as follows:

The Russell 1000 Index is a capitalization-weighted, unmanaged index that measures the 1000 largest companies in the Russell 3000. The Russell 1000 Value Index is a capitalization-weighted, unmanaged index that includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

The Russell 2000 Index is a capitalization-weighted, unmanaged index that measures the 2000 smallest companies in the Russell 3000. The Russell 2000 Value Index is a capitalization-weighted, unmanaged index that includes those Russell 2000 Index companies with lower price-to-book ratios and lower expected growth values.

The Russell 2500 Index is a capitalization-weighted, unmanaged index that measures the 2500 smallest companies in the Russell 3000. The Russell 2500 Value Index is a capitalization-weighted, unmanaged index that includes those Russell 2000 Index companies with lower price-to-book ratios and lower expected growth values.

The Russell 3000 Value Index is a capitalization-weighted, unmanaged index that measures those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth.