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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**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 5, 2020**

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**SILVERCREST ASSET MANAGEMENT GROUP INC.**

(Exact name of registrant as specified in its charter)

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**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)

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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))

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

<b>Title of each class:</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered:</b>
Class A common stock, \$0.01 par value per share	SAMG	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company 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.

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**Item 2.02 Results of Operations and Financial Condition**

On November 5, 2020, 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, 2020. 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**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
99.1	<a href="#">Press Release of Silvercrest Asset Management Group Inc. dated November 5, 2020</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

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

Dated: November 5, 2020

Silvercrest Asset Management Group Inc.

By: /s/ Scott A. Gerard  
Name: Scott A. Gerard  
Title: Chief Financial Officer

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## Silvercrest Asset Management Group Inc. Reports Q3 2020 Results

New York, NY – November 5, 2020 - Silvercrest Asset Management Group Inc. (NASDAQ: SAMG) (the “Company” or “Silvercrest”) today reported the results of its operations for the quarter ended September 30, 2020.

### Business Update

Silvercrest’s discretionary assets under management, which drive top-line revenue, grew approximately 4% during the third quarter to \$17.9 billion as of September 30, 2020. The growth in discretionary assets under management was supported by markets increasing asset values by \$0.7 billion, along with \$0.2 billion in new client accounts. These increases were offset by outflows of \$0.2 billion, primarily for tax payments as a result of delayed tax deadlines due to the coronavirus crisis. The firm’s total assets under management during the quarter increased approximately 3% to end the third quarter with \$24.4 billion in total assets under management.

Due to this year’s market recovery, continued organic growth, and our accretive acquisition in the second half of 2019, the firm’s revenue, adjusted net income, adjusted EBITDA<sup>1</sup> and adjusted EBITDA margins<sup>1</sup> for the nine months ended September 30, 2020 have each grown year over year. For the nine months ended September 30, 2020, adjusted diluted earnings per share<sup>1</sup> increased approximately 13% year over year.

Silvercrest’s Outsourced Chief Investment Officer (OCIO) contributed meaningfully to new business development in the third quarter and is poised to cross important AUM thresholds to be considered for new mandates. We continue to be proud of our progress in that business.

Silvercrest’s institutional asset management pipeline is also rebuilding, along with new initiatives, and we expect the institutional business to improve and contribute new AUM to the firm.

Regardless of the environment, Silvercrest will continue to opportunistically seek to effectively deploy capital to enhance and complement its organic growth. Silvercrest has successfully made investments to organically grow the business—and will continue to make investments—with its cash flow and reserves. We have hired new high net worth portfolio management professionals in New York and will continue to add new talent, both to maintain a high level of client service and to grow the business.

On November 4, 2020, the Company’s Board of Directors declared a quarterly dividend of \$0.16 per share of Class A common stock. The dividend will be paid on or about December 18, 2020 to shareholders of record as of the close of business on December 11, 2020.

### Third Quarter 2020 Highlights

- Total Assets Under Management (“AUM”) of \$24.4 billion, inclusive of discretionary AUM of \$17.9 billion and non-discretionary AUM of \$6.5 billion at September 30, 2020.
- Revenue of \$27.2 million.
- U.S. Generally Accepted Accounting Principles (“GAAP”) consolidated net income and net income attributable to Silvercrest of \$3.5 million and \$2.1 million, respectively.
- Basic and diluted net income per share of \$0.22.
- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)<sup>1</sup> of \$8.1 million.
- Adjusted net income<sup>1</sup> of \$5.1 million.
- Adjusted basic and diluted earnings per share<sup>1, 2</sup> of \$0.35.

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,	
	2020	2019	2020	2019
Revenue	\$ 27,182	\$ 27,845	\$ 79,568	\$ 74,314
Income before other income (expense), net	\$ 4,949	\$ 6,301	\$ 18,920	\$ 14,730
Net income	\$ 3,480	\$ 4,823	\$ 13,952	\$ 11,219
Net income margin	12.8%	17.3%	17.5%	15.1%
Net income attributable to Silvercrest	\$ 2,059	\$ 2,653	\$ 8,081	\$ 6,226
Net income per basic and diluted share	\$ 0.22	\$ 0.30	\$ 0.85	\$ 0.72
Adjusted EBITDA <sup>1</sup>	\$ 8,119	\$ 8,942	\$ 22,999	\$ 21,261
Adjusted EBITDA margin <sup>1</sup>	29.9%	32.1%	28.9%	28.6%
Adjusted net income <sup>1</sup>	\$ 5,062	\$ 5,399	\$ 14,145	\$ 12,420
Adjusted basic earnings per share <sup>1, 2</sup>	\$ 0.35	\$ 0.38	\$ 0.98	\$ 0.86
Adjusted diluted earnings per share <sup>1, 2</sup>	\$ 0.35	\$ 0.38	\$ 0.97	\$ 0.86
Assets under management at period end (billions)	\$ 24.4	\$ 23.5	\$ 24.4	\$ 23.5
Average assets under management (billions) <sup>3</sup>	\$ 24.1	\$ 22.6	\$ 24.8	\$ 21.3
Discretionary assets under management (billions)	\$ 17.9	\$ 17.5	\$ 17.9	\$ 17.5

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

<sup>2</sup> Adjusted basic and diluted earnings per share measures for the three and nine months ended September 30, 2020 are based on the number of shares of Class A common stock and Class B common stock outstanding as of September 30, 2020. Adjusted diluted earnings per share are further based on the addition of unvested restricted stock units, and non-qualified stock options to the extent dilutive at the end of the reporting period.

<sup>3</sup> 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 \$24.4 billion

Silvercrest’s discretionary assets under management increased by \$0.4 billion, or 2.3%, to \$17.9 billion at September 30, 2020 from \$17.5 billion at September 30, 2019. The increase was attributable to client inflows of \$5.0 billion, partially offset by client outflows of \$4.5 billion and market depreciation of \$0.1 billion. Silvercrest’s total AUM increased by \$0.9 billion, or 3.8%, to \$24.4 billion at September 30, 2020 from \$23.5 billion at September 30, 2019. The increase was attributable to client inflows of \$5.3 billion and market appreciation of \$0.4 billion, partially offset by client outflows of \$4.9 billion.

Silvercrest’s discretionary assets under management increased by \$0.6 billion, or 3.5%, to \$17.9 billion at September 30, 2020 from \$17.3 billion at June 30, 2020. The increase was attributable to client inflows of \$0.8 billion and market appreciation of \$0.7 billion, partially offset by client outflows of \$0.9 billion. Silvercrest’s total AUM increased by \$0.6 billion, or 2.5%, to \$24.4 billion at September 30, 2020 from \$23.8 billion at June 30, 2020. The increase was attributable to client inflows of \$0.9 billion and market appreciation of \$0.7 billion, partially offset by client outflow of \$1.0 billion.

Assets under management as of September 30, 2020 as compared to September 30, 2019 and June 30, 2020 continued to be impacted by the effects of COVID-19 on financial markets during the quarter ended March 31, 2020.

#### Third Quarter 2020 vs. Third Quarter 2019

Revenue decreased by \$0.6 million, or 2.4%, to \$27.2 million for the three months ended September 30, 2020, from \$27.8 million for the three months ended September 30, 2019. This decrease was driven by the continued impact of COVID-19 on the financial markets during the quarter ended March 31, 2020 which caused a reduction in assets under management, as well as net client outflows during the quarter ended September 30, 2020. This was partially offset by market appreciation during the current quarter.

Total expenses increased by \$0.7 million, or 3.2%, to \$22.2 million for the three months ended September 30, 2020 from \$21.5 million for the three months ended September 30, 2019. Compensation and benefits expense increased by \$0.1 million, or 0.3%, to \$15.2 million for the three months ended September 30, 2020 from \$15.1 million for the three months ended September 30, 2019. The increase was primarily attributable to an increase in salaries and benefits of \$0.3 million primarily as a result of merit-based increases and newly hired staff, partially offset by a decrease in equity based compensation expense of \$0.2 million due to a decrease in the number of unvested restricted stock units and unvested non-qualified stock options outstanding. General and administrative expenses increased by \$0.7 million, or 10.0%, to \$7.1 million for the three months ended September 30, 2020 from \$6.4 million for the three months ended September 30, 2019. This was primarily attributable to an increase in the fair value of contingent consideration related to the Cortina Acquisition of \$1.7 million and an increase in portfolio and systems expenses of \$0.2 million partially offset by a decrease in professional fees of \$0.9 million, a decrease in travel and entertainment expenses of \$0.2 million as a result of the coronavirus pandemic, a decrease in office expense of \$0.1 million as a result of the coronavirus pandemic and a decrease in storage and moving expenses of \$0.1 million.

Consolidated net income was \$3.5 million or 12.8% of revenue for the three months ended September 30, 2020 as compared to consolidated net income of \$4.8 million or 17.3% of revenue for the same period in the prior year. Net income attributable to Silvercrest was \$2.1 million, or \$0.22 per basic and diluted share for the three months ended September 30, 2020. Our Adjusted Net Income<sup>1</sup> was \$5.1 million, or \$0.35 per adjusted basic and adjusted diluted share for the three months ended September 30, 2020.

Adjusted EBITDA<sup>1</sup> was \$8.1 million or 29.9% of revenue for the three months ended September 30, 2020 as compared to \$8.9 million or 32.1% of revenue for the same period in the prior year.

#### **Nine Months Ended September 30, 2020 vs. Nine Months Ended September 30, 2019**

Revenue increased by \$5.3 million, or 7.1%, to \$79.6 million for the nine months ended September 30, 2020, from \$74.3 million for the nine months ended September 30, 2019. This increase was driven by net client inflows in discretionary assets under management, including \$1.7 billion in assets under management acquired on July 1, 2019 in connection with the Cortina Acquisition, partially offset by net client outflows and market depreciation during the quarter ended March 31, 2020. Cortina revenue for the nine months ended September 30, 2020 was \$8.4 million. Revenue for the first three quarters of 2020 is primarily based on market values as of the end of the respective prior quarter, and as such was partially affected by declines in the financial markets caused by COVID-19 during the quarter ended March 31, 2020.

Total expenses increased by \$1.0 million, or 1.8%, to \$60.6 million for the nine months ended September 30, 2020 from \$59.6 million for the nine months ended September 30, 2019. Compensation and benefits expense increased by \$1.7 million, or 4.1%, to \$44.2 million for the nine months ended September 30, 2020 from \$42.5 million for the nine months ended September 30, 2019. The increase was primarily attributable to an increase in salaries and benefits expense of \$2.1 million primarily as a result of merit-based increases and newly hired staff, including the addition of Cortina staff and an increase in the accrual for bonuses of \$1.3 million, partially offset by a decrease in equity based compensation expense of \$1.7 million due to a decrease in the number of unvested restricted stock units and unvested non-qualified stock options outstanding. General and administrative expenses decreased by \$0.7 million, or 3.9%, to \$16.4 million for the nine months ended September 30, 2020 from \$17.1 million for the nine months ended September 30, 2019. The decrease was primarily attributable to a decrease in the fair value of contingent consideration related to the Cortina Acquisition of \$0.5 million, a decrease in travel and entertainment expenses of \$0.5 million as a result of the coronavirus pandemic, a decrease in professional fees of \$1.0 million, a decrease in office expense of \$0.1 million as a result of the coronavirus pandemic, a decrease in printing costs of \$0.1 million and a decrease in storage and moving expenses of \$0.3 million partially offset by an increase in depreciation and amortization expense of \$0.8 million related mainly to the amortization of intangible assets related to the Cortina Acquisition and to the renovation of our office space in New York City, an increase in occupancy and related expenses of \$0.3 million related to the increased costs of cleaning due to the coronavirus pandemic, an increase in portfolio and systems expenses of \$0.5 million, an increase in the fair value of contingent consideration related to the Jamison Acquisition of \$0.1 million and an increase in the fair value of contingent consideration related to the Cappicille Acquisition of \$0.1 million.

Consolidated net income was \$14.0 million or 17.5% of revenue for the nine months ended September 30, 2020 as compared to \$11.2 million or 15.1% of revenue for the same period in the prior year. Net income attributable to Silvercrest was \$8.1 million, or \$0.85 per basic and diluted share for the nine months ended September 30, 2020. Our Adjusted Net Income<sup>1</sup> was \$14.1 million, or \$0.98 per adjusted basic share and \$0.97 per adjusted diluted share for the nine months ended September 30, 2020.

Adjusted EBITDA<sup>1</sup> was \$23.0 million or 28.9% of revenue for the nine months ended September 30, 2020 as compared to \$21.3 million or 28.6% of revenue for the same period in the prior year.

## Liquidity and Capital Resources

Cash and cash equivalents were \$48.2 million at September 30, 2020, compared to \$52.8 million at December 31, 2019. As of September 30, 2020, there was \$13.5 million outstanding under our term loan with City National Bank and nothing outstanding on our revolving credit facility with City National Bank.

Total Silvercrest Asset Management Group Inc.'s equity was \$69.5 million at September 30, 2020. We had 9,544,607 shares of Class A common stock outstanding and 4,827,731 shares of Class B common stock outstanding at September 30, 2020.

## 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%. 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 restricted stock units and non-qualified stock options 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 6, 2020, 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 1-844-836-8743 or for international listeners the call may be accessed by dialing 1-412-317-5723. 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 release contains, and from time to time our management may make, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks, uncertainties and assumptions. 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, including the continued adverse effects of the coronavirus pandemic, 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, 2019 which is accessible on the SEC's website at [www.sec.gov](http://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, New Jersey, California and Wisconsin, 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  
212-649-0601  
[rthough@silvercrestgroup.com](mailto:rthough@silvercrestgroup.com)



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,	
	2020	2019	2020	2019
<b>Revenue</b>				
Management and advisory fees	\$ 26,148	\$ 26,842	\$ 76,554	\$ 71,310
Family office services	1,034	1,003	3,014	3,004
<b>Total revenue</b>	<b>27,182</b>	<b>27,845</b>	<b>79,568</b>	<b>74,314</b>
<b>Expenses</b>				
Compensation and benefits	15,142	15,100	44,217	42,481
General and administrative	7,091	6,444	16,431	17,103
<b>Total expenses</b>	<b>22,233</b>	<b>21,544</b>	<b>60,648</b>	<b>59,584</b>
<b>Income before other income (expense), net</b>	<b>4,949</b>	<b>6,301</b>	<b>18,920</b>	<b>14,730</b>
<b>Other income (expense), net</b>				
Other income, net	8	242	23	257
Interest income	2	11	12	160
Interest expense	(120)	(239)	(445)	(255)
Equity income from investments	—	9	—	9
<b>Total other income (expense), net</b>	<b>(110)</b>	<b>23</b>	<b>(410)</b>	<b>171</b>
<b>Income before provision for income taxes</b>	<b>4,839</b>	<b>6,324</b>	<b>18,510</b>	<b>14,901</b>
Provision for income taxes	1,359	1,501	4,558	3,682
<b>Net income</b>	<b>3,480</b>	<b>4,823</b>	<b>13,952</b>	<b>11,219</b>
Less: net income attributable to non-controlling interests	(1,421)	(2,170)	(5,871)	(4,993)
<b>Net income attributable to Silvercrest</b>	<b>\$ 2,059</b>	<b>\$ 2,653</b>	<b>\$ 8,081</b>	<b>\$ 6,226</b>
<b>Net income per share:</b>				
Basic	\$ 0.22	\$ 0.30	\$ 0.85	\$ 0.72
Diluted	\$ 0.22	\$ 0.30	\$ 0.85	\$ 0.72
<b>Weighted average shares outstanding:</b>				
Basic	9,532,362	8,870,674	9,478,695	8,659,403
Diluted	9,540,604	8,872,571	9,485,907	8,662,140

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,	
	2020	2019	2020	2019
<b>Reconciliation of non-GAAP financial measure:</b>				
Net income	\$ 3,480	\$ 4,823	\$ 13,952	\$ 11,219
Provision for income taxes	1,359	1,501	4,558	3,682
Delaware Franchise Tax	50	50	150	150
Interest expense	120	239	445	255
Interest income	(2)	(11)	(12)	(160)
Depreciation and amortization	968	973	2,995	2,216
Equity-based compensation	193	445	456	2,166
Other adjustments (A)	1,951	922	455	1,733
<b>Adjusted EBITDA</b>	<b>\$ 8,119</b>	<b>\$ 8,942</b>	<b>\$ 22,999</b>	<b>\$ 21,261</b>
<b>Adjusted EBITDA Margin</b>	<b>29.9%</b>	<b>32.1%</b>	<b>28.9%</b>	<b>28.6%</b>

(A) Other adjustments consist of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Non-acquisition expansion costs (a)	\$ —	\$ —	\$ —	\$ 97
Acquisition costs (b)	38	954	318	1,324
Severance	—	—	—	13
Other (c)	1,913	(32)	137	299
<b>Total other adjustments</b>	<b>\$ 1,951</b>	<b>\$ 922</b>	<b>\$ 455</b>	<b>\$ 1,733</b>

- (a) For the nine months ended September 30, 2020 and 2019, represents accrued earnout of \$0 and \$97, respectively, related to our Richmond, VA office expansion.
- (b) For the three months ended September 30, 2020, represents legal and other professional fees of \$27 and insurance costs of \$11 related to the acquisition of Cortina. For the nine months ended September 30, 2020, represents legal and other professional fees of \$111, insurance costs of \$34 related to the acquisition of Cortina, and costs related to the integration of Cortina’s operations of \$173. For the three months ended September 30, 2019, represents legal fees of \$0 related to the Neosho Acquisition and legal and other professional fees of \$932 and insurance costs of \$22 related to the acquisition of Cortina. For the nine months ended September 30, 2019, represents legal fees of \$156 related to the Neosho Acquisition and legal and other professional fees of \$1,146 and insurance costs of \$22 related to the acquisition of Cortina.
- (c) For the three months ended September 30, 2020, represents an ASC 842 rent adjustment of \$48 related to the amortization of property lease incentives, a fair value adjustment to the Cortina contingent purchase price consideration of \$1,700 and expenses related to the Coronavirus pandemic of \$165. For the nine months ended September 30, 2020, represents expenses of \$18 related to office renovations, an ASC 842 rent adjustment of \$144 related to the amortization of property lease incentives, professional fees related to a new audit requirement of \$13, a fair value adjustment to the Cappicille contingent purchase price consideration of \$83, a fair value adjustment to the Cortina contingent purchase price consideration of \$(500), a fair value adjustment to the Jamison contingent purchase price consideration of \$70, and expenses related to the Coronavirus pandemic of \$309. For the three months ended September 30, 2019, represents expenses of \$154 related to office renovations and an ASC 842 rent adjustment of \$48 related to the amortization of property lease incentives, partially offset by an adjustment to the fair value of our tax receivable agreement of \$234. For the nine months ended September 30, 2019, represents expenses of \$389 related to office renovations and an ASC 842 rent adjustment of \$144 related to the amortization of property lease incentives partially offset by an adjustment to the fair value of our tax receivable agreement of \$234.

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,	
	2020	2019	2020	2019
<b>Reconciliation of non-GAAP financial measure:</b>				
Consolidated net income	\$ 3,480	\$ 4,823	\$ 13,952	\$ 11,219
GAAP Provision for income taxes	1,359	1,501	4,558	3,682
Delaware Franchise Tax	50	50	150	150
Other adjustments (A)	1,951	922	455	1,733
Adjusted earnings before provision for income taxes	6,840	7,296	19,115	16,784
Adjusted provision for income taxes:				
Adjusted provision for income taxes (26% assumed tax rate)	(1,778)	(1,897)	(4,970)	(4,364)
<b>Adjusted net income</b>	<b>\$ 5,062</b>	<b>\$ 5,399</b>	<b>\$ 14,145</b>	<b>\$ 12,420</b>
<b>GAAP net income per share (B):</b>				
Basic and diluted	\$ 0.22	\$ 0.30	\$ 0.85	\$ 0.72
<b>Adjusted earnings per share/unit (B):</b>				
Basic	\$ 0.35	\$ 0.38	\$ 0.98	\$ 0.86
Diluted	\$ 0.35	\$ 0.38	\$ 0.97	\$ 0.86
<b>Shares/units outstanding:</b>				
Basic Class A shares outstanding	9,545	9,180	9,545	9,180
Basic Class B shares/units outstanding	4,828	5,181	4,828	5,181
Total basic shares/units outstanding	14,373	14,361	14,373	14,361
Diluted Class A shares outstanding (C)	9,553	9,182	9,553	9,182
Diluted Class B shares/units outstanding (D)	4,989	5,216	4,989	5,216
Total diluted shares/units outstanding	14,542	14,398	14,542	14,398

(A) See A in Exhibit 2.

(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) Includes 8,242 and 1,897 unvested restricted stock units at September 30, 2020 and 2019, respectively.

(D) Includes 74,907 and 35,336 unvested restricted stock units and 86,764 and 0 non-qualified stock options at September 30, 2020 and 2019, respectively.

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

	September 30, 2020 (Unaudited)	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 48,171	\$ 52,832
Investments	16	1,781
Receivables, net	8,642	8,958
Due from Silvercrest Funds	1,806	1,697
Furniture, equipment and leasehold improvements, net	5,630	6,015
Goodwill	63,675	63,675
Operating lease assets	31,103	33,485
Finance lease assets	284	198
Intangible assets, net	27,216	29,286
Deferred tax asset – tax receivable agreement	11,646	13,190
Prepaid expenses and other assets	3,057	3,132
<b>Total assets</b>	<b>\$ 201,246</b>	<b>\$ 214,249</b>
<b>Liabilities and Equity</b>		
Accounts payable and accrued expenses	\$ 16,576	\$ 18,527
Accrued compensation	22,554	32,252
<b>Borrowings under credit facility</b>	<b>13,500</b>	<b>16,200</b>
Operating lease liabilities	37,254	39,848
Finance lease liabilities	289	196
Deferred tax and other liabilities	10,160	9,419
<b>Total liabilities</b>	<b>100,333</b>	<b>116,442</b>
<b>Commitments and Contingencies</b>		
<b>Equity</b>		
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; 9,544,607 and 9,329,879 issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	95	93
Class B Common Stock, par value \$0.01, 25,000,000 shares authorized; 4,827,731 and 5,031,017 issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	47	49
Additional Paid-In Capital	50,185	49,246
Retained earnings	19,155	15,648
<b>Total Silvercrest Asset Management Group Inc.'s equity</b>	<b>69,482</b>	<b>65,036</b>
Non-controlling interests	31,431	32,771
<b>Total equity</b>	<b>100,913</b>	<b>97,807</b>
<b>Total liabilities and equity</b>	<b>\$ 201,246</b>	<b>\$ 214,249</b>

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, 2019
	2020	2019	
Beginning assets under management	\$ 23.8	\$ 21.7	9.7%
Gross client inflows	0.9	4.1	(78.0)%
Gross client outflows	(1.0)	(2.6)	(61.5)%
Market appreciation	0.7	0.3	133.3%
<b>Ending assets under management</b>	<b>\$ 24.4</b>	<b>\$ 23.5</b>	<b>38.8%</b>

  

	Nine Months Ended September 30,		% Change From September 30, 2019
	2020	2019	
Beginning assets under management	\$ 25.1	\$ 19.0	32.1%
Gross client inflows	2.9	8.5	(65.9)%
Gross client outflows	(2.6)	(6.9)	(62.3)%
Market (depreciation)/appreciation	(1.0)	2.9	(134.5)%
<b>Ending assets under management</b>	<b>\$ 24.4</b>	<b>\$ 23.5</b>	<b>3.8%</b>

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,
	2020	2019	2019
Beginning assets under management	\$ 17.3	\$ 16.0	8.1 %
Gross client inflows	0.8	3.8	(78.9) %
Gross client outflows	(0.9)	(2.3)	(60.9) %
Market appreciation	0.7	—	100.0 %
<b>Ending assets under management</b>	<b>\$ 17.9</b>	<b>\$ 17.5</b>	<b>2.3 %</b>

  

	Nine Months Ended September 30,		% Change From September 30,
	2020	2019	2019
Beginning assets under management	\$ 18.8	\$ 14.2	32.4 %
Gross client inflows	2.6	8.0	(67.5) %
Gross client outflows	(2.4)	(6.5)	(63.1) %
Market (depreciation)/appreciation	(1.1)	1.8	(161.1) %
<b>Ending assets under management</b>	<b>\$ 17.9</b>	<b>\$ 17.5</b>	<b>2.3 %</b>

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, 2019
	2020	2019	
Beginning assets under management	\$ 6.5	\$ 5.7	14.0%
Gross client inflows	0.1	0.3	(66.7)%
Gross client outflows	(0.1)	(0.3)	(66.7)%
Market appreciation	—	0.3	(100.0)%
<b>Ending assets under management</b>	<b>\$ 6.5</b>	<b>\$ 6.0</b>	<b>8.3%</b>

	Nine Months Ended September 30,		% Change From September 30, 2019
	2020	2019	
Beginning assets under management	\$ 6.3	\$ 4.8	31.3%
Gross client inflows	0.3	0.5	(40.0)%
Gross client outflows	(0.2)	(0.4)	50.0%
Market appreciation	0.1	1.1	(90.9)%
<b>Ending assets under management</b>	<b>\$ 6.5</b>	<b>\$ 6.0</b>	<b>8.3%</b>

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

	Three Months Ended September 30,	
	2020	2019
<b>Total AUM as of June 30,</b>	<b>\$ 23.798</b>	<b>\$ 21.720</b>
Discretionary AUM:		
Total Discretionary AUM as of June 30,	17.282	16.042
New client accounts/assets	0.151	1.744 (1)
Closed accounts	(0.034)	(0.017)(2)
Net cash inflow/(outflow)	(0.214)	(0.295)(3)
Non-discretionary to discretionary AUM	—	(0.017)(4)
Market appreciation	0.721	0.086
<b>Change to Discretionary AUM</b>	<b>0.624</b>	<b>1.501</b>
Total Discretionary AUM as of September 30,	17.906	17.543
<b>Change to Non-Discretionary AUM</b>	<b>(0.033)</b>	<b>0.321</b> (5)
<b>Total AUM as of September 30,</b>	<b>\$ 24.389</b>	<b>\$ 23.542</b>

	Nine Months Ended September 30,	
	2020	2019
<b>Total AUM as of January 1,</b>	<b>\$ 25.070</b>	<b>\$ 19.032</b>
Discretionary AUM:		
Total Discretionary AUM as of January 1,	18.754	14.244
New client accounts/assets	0.472	2.199 (1)
Closed accounts	(0.124)	(0.391)(2)
Net cash inflow/(outflow)	(0.086)	(0.311)(3)
Non-discretionary to discretionary AUM	(0.008)	(0.028)(4)
Market (depreciation)/appreciation	(1.102)	1.830
<b>Change to Discretionary AUM</b>	<b>(0.848)</b>	<b>3.299</b>
Total Discretionary AUM as of September 30,	17.906	17.543
<b>Change to Non-Discretionary AUM</b>	<b>0.167</b>	<b>1.211</b> (5)
<b>Total AUM as of September 30,</b>	<b>\$ 24.389</b>	<b>\$ 23.542</b>

- (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, 2  
As of September 30, 2020  
(Unaudited)

PROPRIETARY EQUITY PERFORMANCE 1, 2	ANNUALIZED PERFORMANCE					
AS OF 9/30/2020	INCEPTION	1-YEAR	3-YEAR	5-YEAR	7-YEAR	INCEPTION
<b>Large Cap Value Composite</b>	<b>4/1/02</b>	<b>4.3</b>	<b>8.4</b>	<b>13.0</b>	<b>11.0</b>	<b>8.8</b>
Russell 1000 Value Index		- 5.0	2.6	7.7	7.4	6.6
<b>Small Cap Value Composite</b>	<b>4/1/02</b>	<b>-11.5</b>	<b>- 3.1</b>	<b>5.5</b>	<b>5.4</b>	<b>9.1</b>
Russell 2000 Value Index		-14.9	- 5.1	4.1	3.3	6.3
<b>Smid Cap Value Composite</b>	<b>10/1/05</b>	<b>-10.6</b>	<b>- 1.4</b>	<b>7.4</b>	<b>7.2</b>	<b>8.3</b>
Russell 2500 Value Index		-12.6	- 2.7	4.7	4.3	5.8
<b>Multi Cap Value Composite</b>	<b>7/1/02</b>	<b>0.8</b>	<b>4.7</b>	<b>10.5</b>	<b>9.5</b>	<b>9.1</b>
Russell 3000 Value Index		- 5.7	2.1	7.4	7.1	7.2
<b>Equity Income Composite</b>	<b>12/1/03</b>	<b>- 8.0</b>	<b>3.4</b>	<b>10.3</b>	<b>9.2</b>	<b>10.6</b>
Russell 3000 Value Index		- 5.7	2.1	7.4	7.1	7.3
<b>Focused Value Composite</b>	<b>9/1/04</b>	<b>0.2</b>	<b>3.6</b>	<b>10.0</b>	<b>8.9</b>	<b>9.8</b>
Russell 3000 Value Index		- 5.7	2.1	7.4	7.1	7.0
<b>Small Cap Opportunity Composite</b>	<b>7/1/04</b>	<b>3.6</b>	<b>6.4</b>	<b>10.9</b>	<b>8.6</b>	<b>10.4</b>
Russell 2000 Index		0.4	1.8	8.0	6.4	7.4
<b>Small Cap Growth Composite</b>	<b>7/1/04</b>	<b>28.8</b>	<b>14.5</b>	<b>17.0</b>	<b>10.3</b>	<b>10.9</b>
Russell 2000 Growth Index		15.7	8.2	11.4	9.2	8.9
<b>Smid Cap Growth Composite</b>	<b>1/1/06</b>	<b>47.0</b>	<b>23.0</b>	<b>20.9</b>	<b>13.8</b>	<b>12.0</b>
Russell 2500 Growth Index		23.4	13.4	14.2	11.7	10.3

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 advisory fees and any other expenses it may incur in the management of the investment advisory account. SAMG LLC's standard 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.