

# RIA Market Update

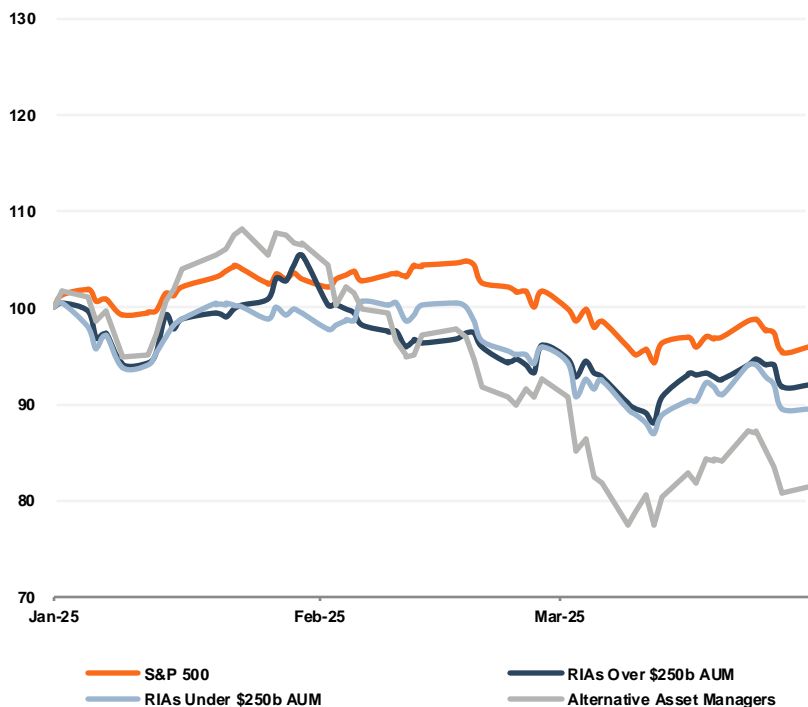
Q1 2025

# Changes in Price

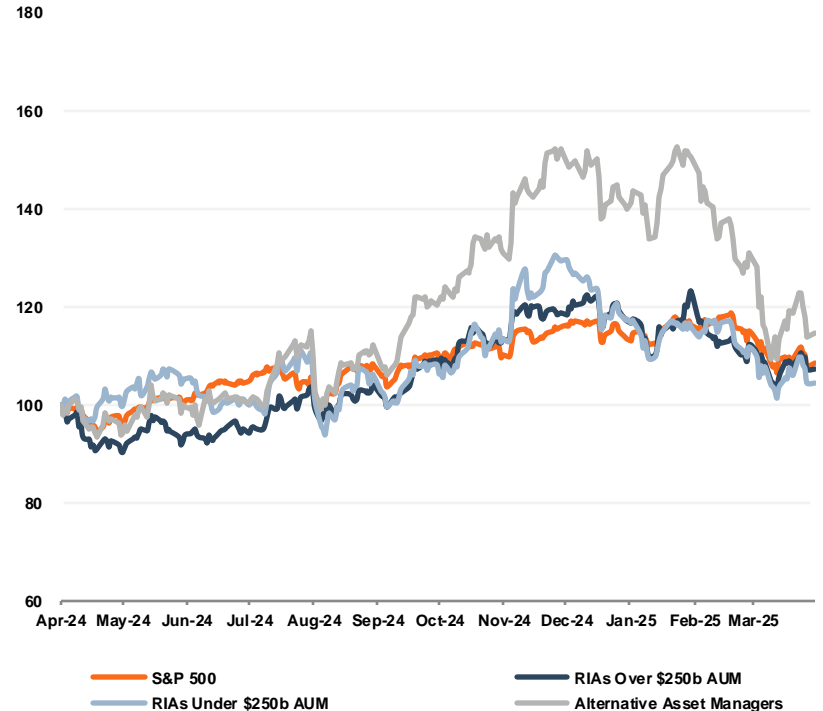
Following a strong Q4 2024 performance, all segments of publicly traded asset underperformed the S&P 500 in Q1 2025. Alternative asset managers and larger companies (AUM over \$250 billion) experienced a double-digit decline of 18.7% and 10.4%, respectively, during the quarter while smaller asset managers (AUM under \$250 billion) experienced a smaller decline of 8.1%. These measures contrast against a 4.1% loss for the S&P 500 during the quarter.

Year-over-year performance was positive for all groups of RIAs as well as the S&P 500, and was especially so for alternative asset managers which saw a total return of 14.8% amid rate cuts, disinflation, and recovering M&A activity. Both the smaller and larger groups of traditional investment managers underperformed the S&P 500 for the year.

**Quarter-Over-Quarter Price Index**



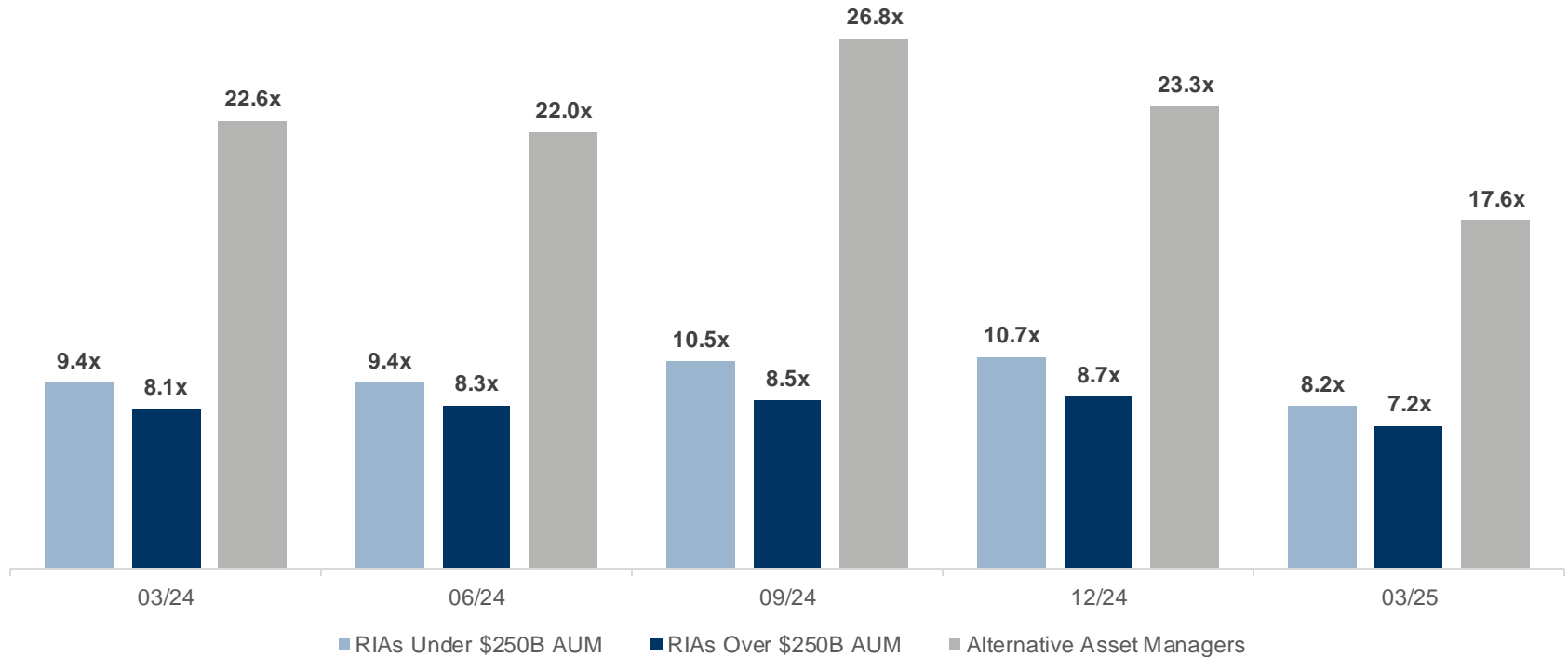
**Year-Over-Year Price Index**



# Changes in Valuation

After trending downwards for most of 2023, multiples began to increase with the overall market during the fourth quarter of 2023 and continued to increase through 2024. The median Enterprise Value to LTM EBITDA multiples for public RIAs decreased across the board in Q1, including alternative asset managers, which still trade at a considerable premium to their peers given the often-significant balance sheet investments held by alternative managers.

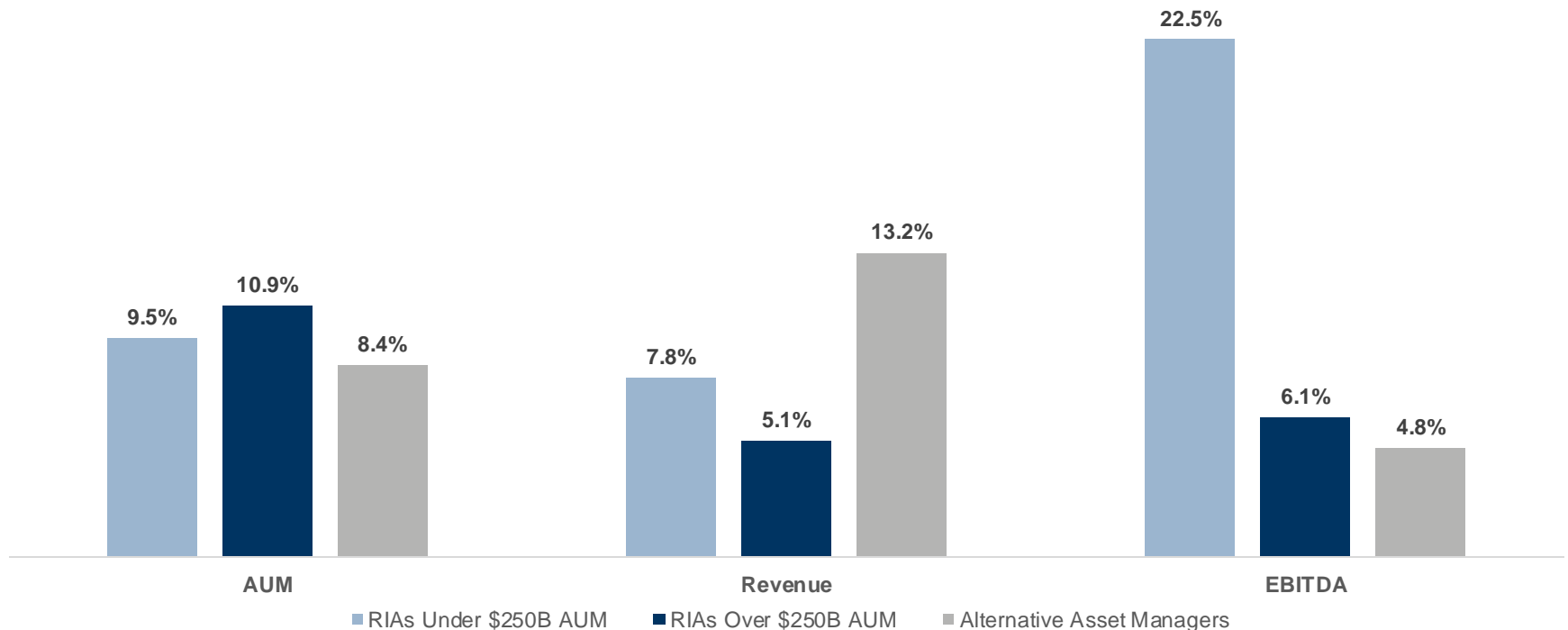
Enterprise Value to LTM EBITDA



# Changes in Fundamentals

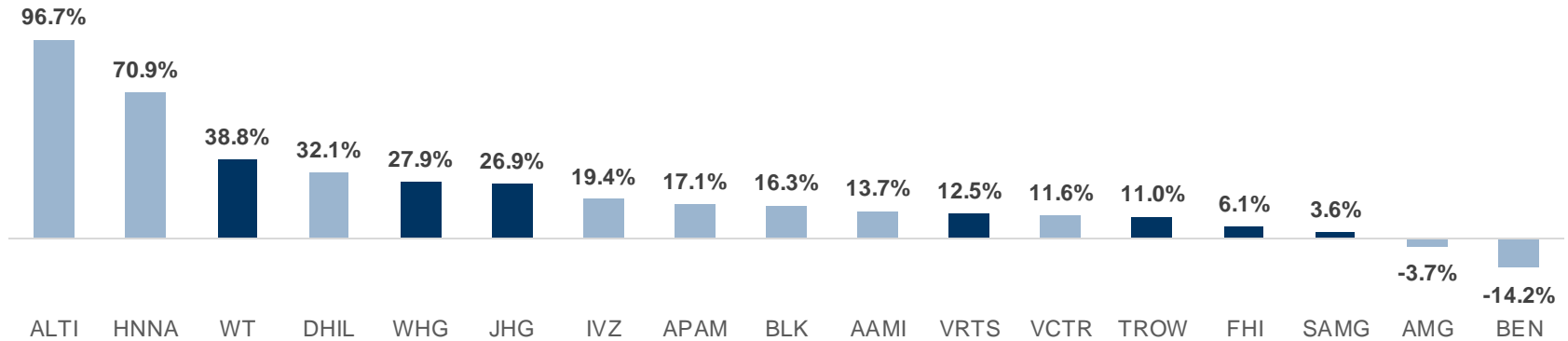
Traditional RIAs experienced a year-over-year increase in AUM which outpaced the revenue growth during the same period--a sign of fee compression. Alts revenue, on the other hand, increased at a higher rate than AUM. As shown on Slide 2, the S&P 500 returned 8.5% year-over-year, providing a tailwind to AUM growth for most firms. AUM growth for all groups of RIAs examined were in line with or slightly exceeded growth in the S&P 500, implying a combination of organic growth and/or outperformance relative to an S&P 500 benchmark. As shown on the following slide, these changes in fundamentals are not evenly distributed among group constituents.

## Year-Over-Year Change in...

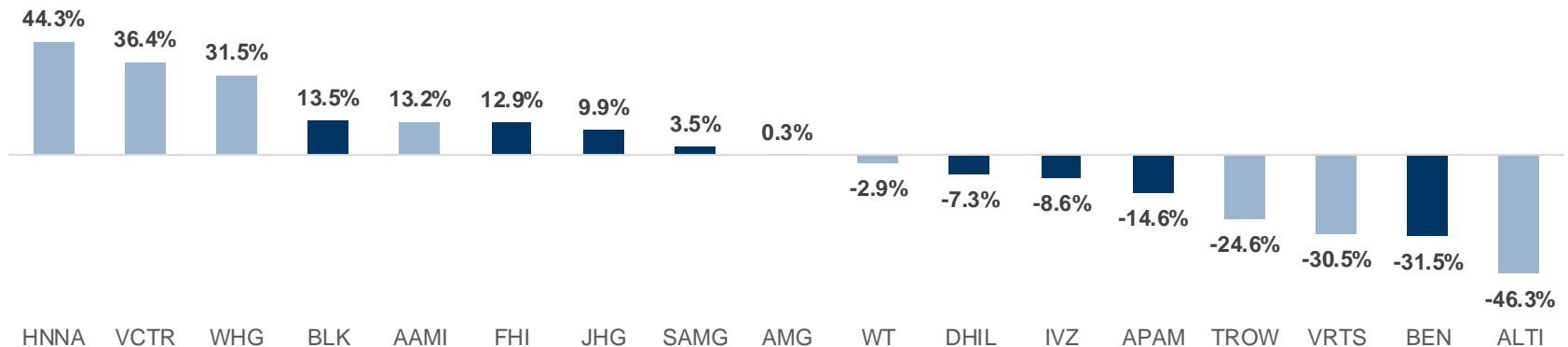


# Winners and Losers

YoY EBITDA Growth (Traditional Investment Managers)



YoY Price Growth (Traditional Investment Managers)



Larger investment managers (over \$250B AUM) are shaded dark blue;  
Smaller investment managers (under \$250B AUM) are shaded light blue

# Market Data - Detail

	AUM	Revenue			EBITDA			Earnings			Fees Realized	EBITDA Margin			
		Current	Prior Year	Avg. AUM	LTM	2025E	2026E	LTM	2025E	2026E			LTM	2025E	2026E
<b>Companies Under \$250B AUM</b>															
Company	Ticker	Current	Prior Year	Avg. AUM	LTM	2025E	2026E	LTM	2025E	2026E	LTM	2025E	2026E	Fees Realized	EBITDA Margin
Acadian Asset Management Inc.	AAM	\$117,300	\$103,700	\$112,860	\$506	\$527	\$570	\$155	\$171	\$184	\$85.0	na	na	0.45%	30.7%
ATI Global, Inc.	ALTI	45,100	38,000	43,250	207	255	280	(63)	75	84	(103.0)	48.7	61.8	0.48%	-30.4%
Artisan Partners Asset Management Inc.	APAM	161,208	150,167	159,697	1,112	1,170	1,253	377	396	429	259.7	255.5	279.7	0.70%	34.0%
Diamond Hill Investment Group, Inc.	DHIL	30,012	27,418	29,595	151	na	na	45	na	na	43.2	na	na	0.51%	29.9%
Hennessy Advisors, Inc.	HNNA	4,779	3,280	4,116	33	na	na	12	na	na	8.7	na	na	0.81%	34.7%
Silvercrest Asset Management Group Inc.	SAMG	36,500	33,300	34,560	124	133	138	23	28	35	9.5	18.2	16.2	0.36%	18.6%
Victory Capital Holdings, Inc.	VCTR	171,930	161,322	169,678	893	1,377	1,554	459	653	777	288.9	na	na	0.53%	51.4%
Virtus Investment Partners, Inc.	VRTS	175,001	172,259	176,780	907	829	859	250	296	315	121.7	na	na	0.51%	27.6%
Westwood Holdings Group, Inc.	WHG	16,607	15,459	16,149	95	na	na	10	na	na	2.2	na	na	0.59%	11.0%
WisdomTree, Inc.	WT	109,779	100,124	107,388	428	451	480	138	162	167	66.7	109.5	119.4	0.40%	32.2%
<b>Summary Statistics for &lt;\$250B AUM Group</b>															
First Quartile		\$31,634	\$27,418	\$30,836	\$131	\$353	\$380	\$14	\$119	\$126	\$9	\$41	\$50	0.46%	20.8%
Average		\$86,822	\$85,225	\$85,407	\$446	\$677	\$733	\$141	\$255	\$284	\$78	\$108	\$119	0.53%	23.9%
Median		\$77,440	\$100,124	\$75,319	\$317	\$527	\$570	\$91	\$171	\$184	\$55	\$79	\$91	0.51%	30.3%
Third Quartile		\$150,231	\$150,167	\$147,988	\$797	\$1,000	\$1,056	\$226	\$346	\$372	\$113	\$146	\$159	0.57%	33.5%
<b>Companies Over \$250B AUM</b>															
Company	Ticker	Current	Prior Year	Avg. AUM	LTM	2025E	2026E	LTM	2025E	2026E	LTM	2025E	2026E	Fees Realized	EBITDA Margin
Affiliated Managers Group, Inc.	AMG	707,900	\$672,700	\$701,880	2,041	2,121	2,212	1,022	966	1,006	511.6	643.1	656.4	0.29%	50.1%
Franklin Resources, Inc.	BEN	1,575,700	1,455,500	1,600,220	8,739	9,397	8,281	1,791	2,043	2,177	377.1	849.2	996.7	0.55%	20.5%
BlackRock, Inc.	BLK	11,551,251	10,008,995	10,830,766	20,407	23,508	26,219	8,207	9,899	11,278	6,369.0	6,949.3	8,125.5	0.19%	40.2%
Federated Hermes, Inc.	FHI	829,578	757,622	789,813	1,632	1,740	1,813	448	488	501	268.3	348.2	350.5	0.21%	27.4%
Invesco Ltd.	IVZ	1,846,000	1,585,300	1,721,080	6,067	4,597	4,835	1,255	1,637	1,733	774.8	1,010.1	1,000.8	0.35%	20.7%
Janus Henderson Group plc	JHG	378,700	334,900	361,980	2,473	2,687	2,785	666	788	834	408.9	467.2	540.0	0.68%	26.9%
T. Rowe Price Group, Inc.	TROW	1,606,600	1,444,500	1,558,660	7,094	7,405	7,691	2,824	2,818	2,959	2,100.1	2,038.5	2,148.1	0.46%	39.8%
<b>Summary Statistics for &gt;\$250B AUM Group</b>															
First Quartile		\$768,739	\$715,161	\$745,847	\$2,257	\$2,404	\$2,499	\$844	\$877	\$920	\$393	\$555	\$598	0.25%	23.8%
Average		\$2,642,247	\$2,322,788	\$2,509,200	\$6,922	\$7,351	\$7,691	\$2,316	\$2,663	\$2,927	\$1,544	\$1,758	\$1,974	0.39%	32.2%
Median		\$1,575,700	\$1,444,500	\$1,558,660	\$6,067	\$4,597	\$4,835	\$1,255	\$1,637	\$1,733	\$512	\$849	\$997	0.35%	27.4%
Third Quartile		\$1,726,300	\$1,520,400	\$1,660,650	\$7,916	\$8,401	\$7,986	\$2,308	\$2,430	\$2,568	\$1,437	\$1,524	\$1,574	0.50%	40.0%
<b>Alternative Asset Managers</b>															
Company	Ticker	Current	Prior Year	Avg. AUM	LTM	2025E	2026E	LTM	2025E	2026E	LTM	2025E	2026E	Fees Realized	EBITDA Margin
Associated Capital Group, Inc.	AC	\$1,248	\$1,591	1,418	13	na	na	(\$18)	na	na	44.3	na	na	1.06%	-139.6%
Apollo Global Management, Inc.	APO	751,037	650,776	700,455	25,888	4,219	5,011	0	6,955	8,254	4,577.0	na	na	3.45%	0.0%
Ares Management Corporation	ARES	484,446	418,846	448,532	3,885	4,721	5,946	1,152	2,271	2,927	463.7	1,201.4	1,581.1	0.80%	29.6%
Bridge Investment Group Holdings Inc.	BRDG	49,845	47,702	48,739	419	397	498	61	194	256	33.3	105.6	130.3	0.84%	14.6%
Blackstone Inc.	BX	1,127,180	1,040,192	1,082,527	12,663	14,170	17,100	(177)	7,727	9,468	2,776.5	7,175.7	8,687.8	1.12%	-1.4%
The Carlyle Group Inc.	CG	441,020	425,994	434,901	4,740	4,377	4,945	(53)	1,853	2,054	1,020.4	1,559.0	1,621.0	1.07%	-1.1%
Cohen & Steers, Inc.	CNS	85,814	83,136	84,535	517	608	669	184	238	281	151.3	195.6	248.4	0.60%	35.6%
GCM Grosvenor Inc.	GCMG	80,077	76,908	78,806	512	563	612	77	238	266	18.7	22.4	30.4	0.64%	15.0%
Hamilton Lane Incorporated	HLNE	134,700	119,900	128,120	692	680	730	369	326	351	215.3	271.1	285.6	0.51%	53.4%
KKR & Co. Inc.	KKR	637,572	552,801	598,749	26,422	9,165	11,378	(117)	6,266	8,406	3,076.2	3,699.5	4,727.0	4.14%	-0.4%
P10, Inc.	PX	251,119	165,687	203,585	2,295	2,807	3,388	1,053	1,607	1,945	109.6	1,172.2	1,361.0	0.91%	45.9%
StepStone Group Inc.	STEP	25,677	23,259	24,308	296	292	338	124	133	154	18.7	18.9	34.5	1.15%	42.0%
T. Rowe Price Group, Inc.	TROW	179,000	134,000	163,000	1,154	902	1,071	(100)	393	445	(130.2)	na	na	0.64%	-8.7%
<b>Summary Statistics for Alternative Asset Managers</b>															
First Quartile		\$81,511	\$78,465	\$80,238	\$513	\$608	\$669	(\$44)	\$238	\$281	\$26	\$151	\$189	0.68%	-0.9%
Average		\$321,043	\$283,030	\$302,108	\$5,928	\$3,460	\$4,167	\$193	\$2,258	\$2,796	\$886	\$1,427	\$1,733	1.31%	6.4%
Median		\$212,437	\$149,844	\$183,293	\$1,725	\$2,075	\$2,486	\$69	\$1,151	\$1,535	\$130	\$274	\$361	0.98%	9.3%
Third Quartile		\$473,590	\$424,207	\$445,124	\$4,526	\$4,377	\$5,011	\$174	\$2,271	\$2,927	\$881	\$1,380	\$1,601	1.15%	34.1%

# Market Data - Detail

	Ticker	P/E			EV / AUM	EV / Revenue			EV / EBITDA			Enterprise Value
		LTM	2025E	2026E		LTM	2025E	2026E	LTM	2025E	2026E	
<b>Companies Under \$250B AUM</b>												
Acadian Asset Management Inc.	AAM	11.4x	nm	nm	1.04%	2.4x	2.3x	2.1x	7.8x	7.1x	6.6x	\$1,216
ATI Global, Inc.	ALTI	nm	6.0x	4.7x	1.87%	4.1x	3.3x	3.0x	nm	11.2x	10.0x	842
Artisan Partners Asset Management Inc.	APAM	10.5x	10.7x	9.8x	2.24%	3.3x	3.1x	2.9x	9.6x	9.1x	8.4x	3,616
Diamond Hill Investment Group, Inc.	DHIL	9.2x	nm	nm	1.19%	2.4x	nm	nm	7.9x	nm	nm	357
Hennessy Advisors, Inc.	HNNA	8.9x	nm	nm	1.09%	1.6x	nm	nm	4.5x	nm	nm	52
Silvercrest Asset Management Group Inc.	SAMG	16.4x	8.6x	9.6x	0.52%	1.5x	1.4x	1.4x	8.2x	6.7x	5.5x	189
Victory Capital Holdings, Inc.	VCTR	12.8x	nm	nm	2.63%	5.1x	3.3x	2.9x	9.8x	6.9x	5.8x	4,521
Virtus Investment Partners, Inc.	VRTS	9.9x	nm	nm	0.76%	1.5x	1.6x	1.6x	5.3x	4.5x	4.2x	1,336
Westwood Holdings Group, Inc.	WHG	60.8x	nm	nm	0.55%	1.0x	nm	nm	8.8x	nm	nm	92
WisdomTree, Inc.	WT	19.0x	11.6x	10.6x	1.38%	3.5x	3.4x	3.2x	11.0x	9.3x	9.1x	1,514
<b>Summary Statistics for &lt;\$250B AUM Group</b>												
First Quartile		9.9x	7.9x	8.4x	0.83%	1.5x	2.0x	1.8x	7.8x	6.8x	5.6x	\$231
Average		17.6x	9.2x	8.7x	1.33%	2.6x	2.6x	2.4x	8.1x	7.9x	7.1x	\$1,374
Median		11.4x	9.6x	9.7x	1.14%	2.4x	3.1x	2.9x	8.2x	7.1x	6.6x	\$1,029
Third Quartile		16.4x	10.9x	10.0x	1.75%	3.5x	3.3x	3.0x	9.6x	9.2x	8.7x	\$1,470
<b>Companies Over \$250B AUM</b>												
Affiliated Managers Group, Inc.	AMG	9.6x	7.6x	7.5x	1.11%	3.8x	3.7x	3.5x	7.7x	8.1x	7.8x	\$7,833
Franklin Resources, Inc.	BEN	26.8x	11.9x	10.1x	0.82%	1.5x	1.4x	1.6x	7.2x	6.3x	6.0x	12,957
BlackRock, Inc.	BLK	23.1x	21.1x	18.1x	1.27%	7.2x	6.2x	5.6x	17.9x	14.8x	13.0x	146,524
Federated Hermes, Inc.	FHI	11.8x	9.1x	9.0x	0.35%	1.8x	1.7x	1.6x	6.5x	6.0x	5.8x	2,929
Invesco Ltd.	IVZ	8.8x	6.7x	6.8x	0.64%	1.9x	2.6x	2.4x	9.4x	7.2x	6.8x	11,814
Janus Henderson Group plc	JHG	13.9x	12.2x	10.5x	1.19%	1.8x	1.7x	1.6x	6.8x	5.7x	5.4x	4,507
T. Rowe Price Group, Inc.	TROW	9.7x	10.0x	9.5x	1.18%	2.7x	2.6x	2.5x	6.7x	6.7x	6.4x	18,967
<b>Summary Statistics for &gt;\$250B AUM Group</b>												
First Quartile		9.7x	8.4x	8.3x	0.73%	1.8x	1.7x	1.6x	6.7x	6.2x	5.9x	\$6,170
Average		14.8x	11.2x	10.2x	0.94%	3.0x	2.8x	2.7x	8.9x	7.8x	7.3x	\$29,362
Median		11.8x	10.0x	9.5x	1.11%	1.9x	2.6x	2.4x	7.2x	6.7x	6.4x	\$11,814
Third Quartile		18.5x	12.0x	10.3x	1.19%	3.3x	3.1x	3.0x	8.5x	7.7x	7.3x	\$15,962
<b>Alternative Asset Managers</b>												
Associated Capital Group, Inc.	AC	18.3x	nm	nm	35.92%	34.0x	nm	nm	nm	nm	nm	\$448
Apollo Global Management, Inc.	APO	17.1x	nm	nm	12.72%	3.7x	22.6x	19.1x	nm	13.7x	11.6x	95,503
Ares Management Corporation	ARES	65.6x	25.3x	19.2x	9.40%	11.7x	9.6x	7.7x	39.5x	20.0x	15.5x	45,520
Bridge Investment Group Holdings Inc.	BRDG	12.9x	4.1x	3.3x	2.39%	2.8x	3.0x	2.4x	19.5x	6.1x	4.6x	1,189
Blackstone Inc.	BX	38.7x	15.0x	12.4x	11.44%	10.2x	9.1x	7.5x	nm	16.7x	13.6x	128,979
The Carlyle Group Inc.	CG	15.3x	10.0x	9.6x	5.10%	4.7x	5.1x	4.6x	nm	12.1x	11.0x	22,503
Cohen & Steers, Inc.	CNS	27.0x	20.9x	16.5x	4.48%	7.4x	6.3x	5.7x	20.9x	16.1x	13.7x	3,844
GCM Grosvenor Inc.	GCMG	31.8x	26.5x	19.5x	1.10%	1.7x	1.6x	1.4x	11.4x	3.7x	3.3x	878
Hamilton Lane Incorporated	HLNE	28.8x	22.9x	21.7x	4.78%	9.3x	9.5x	8.8x	17.4x	19.8x	18.3x	6,443
KKR & Co. Inc.	KKR	33.4x	27.8x	21.7x	24.24%	5.9x	16.9x	13.6x	nm	24.7x	18.4x	154,574
P10, Inc.	PX	114.4x	10.7x	9.2x	7.43%	8.1x	6.6x	5.5x	17.7x	11.6x	9.6x	18,653
StepStone Group Inc.	STEP	69.9x	69.1x	37.9x	6.23%	5.4x	5.5x	4.7x	12.8x	12.0x	10.4x	1,599
T. Rowe Price Group, Inc.	TROW	nm	nm	nm	3.01%	4.7x	6.0x	5.0x	nm	13.7x	12.1x	5,385
<b>Summary Statistics for Alternative Asset Managers</b>												
First Quartile		18.3x	12.8x	11.0x	3.79%	3.9x	5.1x	4.6x	16.3x	11.6x	9.6x	\$2,160
Average		54.1x	22.9x	16.9x	9.41%	8.0x	8.2x	6.9x	25.0x	13.7x	11.4x	\$35,305
Median		31.8x	20.9x	16.5x	5.66%	5.6x	6.3x	5.5x	18.6x	13.7x	11.6x	\$7,598
Third Quartile		65.6x	25.9x	20.6x	10.93%	9.0x	9.5x	7.7x	25.5x	16.7x	13.7x	\$39,766

# Market Data - Detail

		Price for 3/31/2025	Price 3/31/2024	LTM High Price	LTM Low Price	Price/ LTM High	Price/LTM Low	Change 1 Year	Dividend Yield (%)	5 Year Beta
<b>Companies Under \$250B AUM</b>										
Company	Ticker									
Acadian Asset Management Inc.	AAM	\$25.86	\$22.84	\$31.52	\$21.45	82%	121%	13.2%	0.2%	1.35
ATI Global, Inc.	ALTI	\$3.04	\$5.66	\$5.83	\$2.33	52%	130%	-46.3%	nm	0.77
Artisan Partners Asset Management Inc.	APAM	\$39.10	\$45.77	\$49.54	\$37.89	79%	103%	-14.6%	8.9%	1.79
Diamond Hill Investment Group, Inc.	DHIL	\$142.84	\$154.17	\$173.25	\$135.44	82%	105%	-7.3%	4.2%	0.79
Hennessy Advisors, Inc.	HNNA	\$9.96	\$6.90	\$13.88	\$6.60	72%	151%	44.3%	5.6%	0.68
Silvercrest Asset Management Group Inc.	SAMG	\$16.36	\$15.81	\$19.20	\$13.93	85%	117%	3.5%	4.9%	0.82
Victory Capital Holdings, Inc.	VCTR	\$57.87	\$42.43	\$73.42	\$41.30	79%	140%	36.4%	3.2%	0.88
Virtus Investment Partners, Inc.	VRTS	\$172.36	\$247.98	\$252.82	\$167.13	68%	103%	-30.5%	5.2%	1.36
Westwood Holdings Group, Inc.	WHG	\$16.20	\$12.32	\$18.03	\$11.01	90%	147%	31.5%	3.7%	0.97
WisdomTree, Inc.	WT	\$8.92	\$9.19	\$12.45	\$7.96	72%	112%	-2.9%	1.3%	1.25

## Summary Statistics for <\$250B AUM Group

First Quartile								-12.8%	3.2%	0.79
Average								2.7%	4.1%	1.07
Median								0.3%	4.2%	0.92
Third Quartile								26.9%	5.2%	1.33

## Companies Over \$250B AUM

Company	Ticker	Price	Price	LTM High	LTM Low	Price/ LTM High	Price/LTM Low	Change 1 Year	Dividend Yield (%)	5 Year Beta
Affiliated Managers Group, Inc.	AMG	\$168.03	\$167.47	\$199.52	\$147.13	84%	114%	0.3%	0.0%	1.09
Franklin Resources, Inc.	BEN	\$19.25	\$28.11	\$28.08	\$18.74	69%	103%	-31.5%	6.6%	1.39
BlackRock, Inc.	BLK	\$946.48	\$833.70	\$1,084.22	\$745.55	87%	127%	13.5%	2.2%	1.39
Federated Hermes, Inc.	FHI	\$40.77	\$36.12	\$43.92	\$31.24	93%	131%	12.9%	3.0%	0.79
Invesco Ltd.	IVZ	\$15.17	\$16.59	\$19.55	\$14.16	78%	107%	-8.6%	5.4%	1.24
Janus Henderson Group plc	JHG	\$36.15	\$32.89	\$46.68	\$30.35	77%	119%	9.9%	4.3%	1.41
T. Rowe Price Group, Inc.	TROW	\$91.87	\$121.92	\$125.81	\$89.70	73%	102%	-24.6%	5.4%	1.53

## Summary Statistics for >\$250B AUM Group

First Quartile								-16.6%	2.6%	1.17
Average								-4.0%	3.9%	1.26
Median								0.3%	4.3%	1.39
Third Quartile								11.4%	5.4%	1.40

## Alternative Asset Managers

Company	Ticker	Price	Price	LTM High	LTM Low	Price/ LTM High	Price/LTM Low	Change 1 Year	Dividend Yield (%)	5 Year Beta
Associated Capital Group, Inc.	AC	\$38	\$33	\$44	\$29	87%	1.34x	17.2%	0.5%	0.75
Apollo Global Management, Inc.	APO	137	112	189	95	72%	1.44x	21.8%	1.4%	1.65
Ares Management Corporation	ARES	147	133	200	125	73%	1.17x	10.2%	3.1%	1.34
Bridge Investment Group Holdings Inc.	BRDG	10	7	12	6	82%	1.52x	39.9%	4.4%	1.48
Blackstone Inc.	BX	140	131	201	116	70%	1.21x	6.4%	2.8%	1.60
The Carlyle Group Inc.	CG	44	47	58	37	76%	1.19x	-7.1%	3.2%	1.71
Cohen & Steers, Inc.	CNS	80	77	111	64	73%	1.25x	4.4%	3.1%	1.44
GCM Grosvenor Inc.	GCMG	13	10	14	9	91%	1.49x	37.0%	3.3%	0.67
Hamilton Lane Incorporated	HLNE	149	113	204	108	73%	1.37x	31.8%	1.3%	1.34
KKR & Co. Inc.	KKR	116	101	170	92	68%	1.26x	14.9%	0.6%	1.77
P10, Inc.	PX	20	19	27	15	75%	1.32x	6.3%	3.6%	1.19
StepStone Group Inc.	STEP	12	8	14	7	82%	1.66x	39.5%	1.2%	0.88
T. Rowe Price Group, Inc.	TROW	52	36	70	34	74%	1.54x	46.1%	2.1%	1.36

## Summary Statistics for Alternative Asset Managers

First Quartile								6.3%	1.3%	1.23
Average								19.6%	2.5%	1.34
Median								16.0%	2.9%	1.40
Third Quartile								35.7%	3.3%	1.59



# Mercer Capital's Investment Management Group



**Matthew R. Crow, ASA, CFA**  
CEO  
crowm@mercercapital.com



**Brooks K. Hamner, CFA, ASA**  
Senior Vice President  
hamnerb@mercercapital.com



**Zachary W. Milam, CFA**  
Vice President  
milamz@mercercapital.com



**Koby Allen**  
Financial Analyst  
allenk@mercercapital.com