

RIA Market Update

Q2 2025

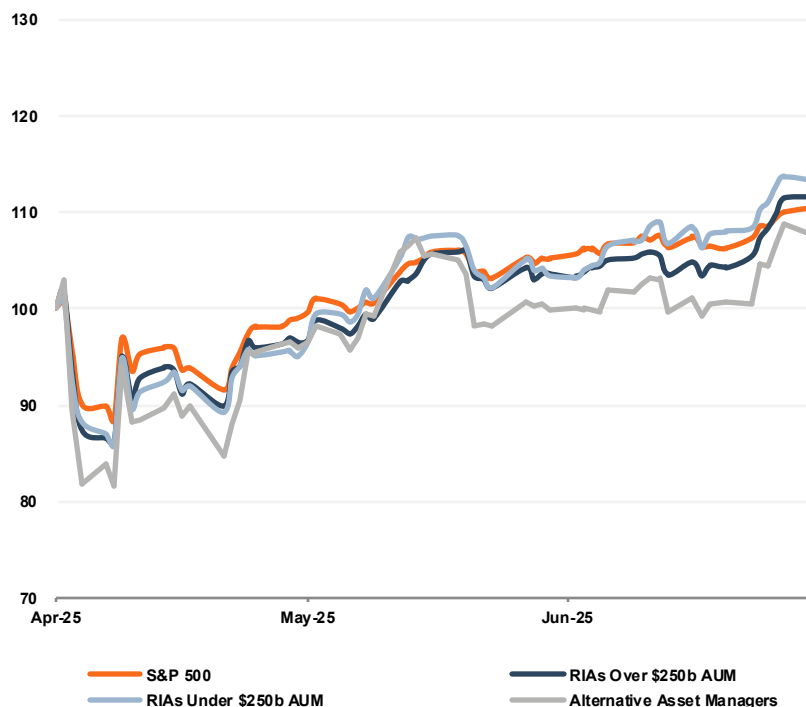
Data as of June 30, 2025. Sourced from S&P Capital IQ Pro.

Changes in Price

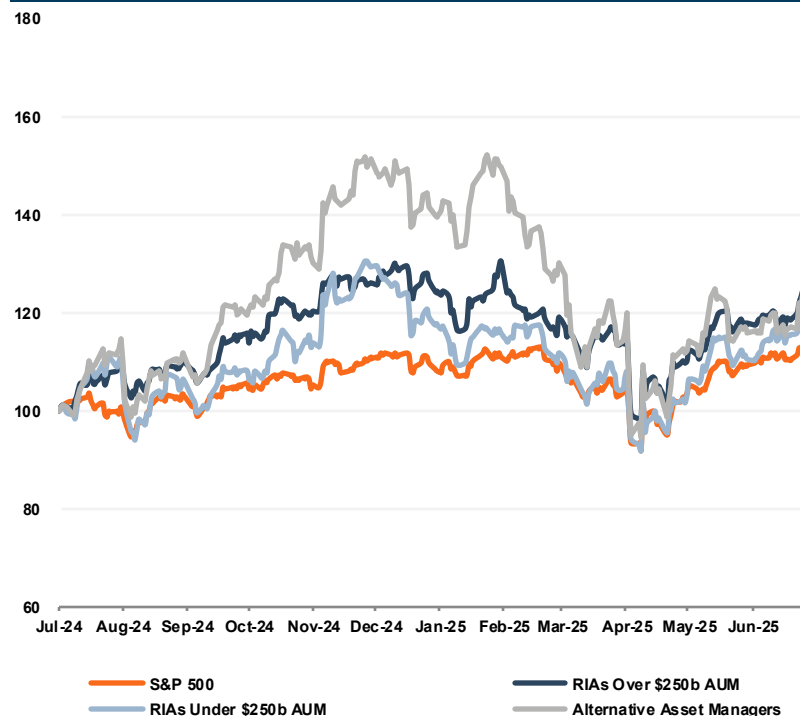
Following a poor Q1 2025 performance, traditional asset managers outperformed the S&P 500 in Q2 2025, while alternative asset managers underperformed. Larger asset managers (AUM over \$250 billion), smaller asset managers (AUM under \$250 billion), and alternative asset managers experienced returns of 11.6%, 13.3%, and 7.8%, respectively. These measures contrast against a 10.5% gain for the S&P 500 during the quarter.

Year-over-year performance was positive for all groups of RIAs, especially so for larger asset managers which saw a total return of 26.9% amid tariff pauses, disinflation, and strengthening M&A activity. All groups of investment managers outperformed the S&P 500 for the year, which itself experienced a total return of 14.9%.

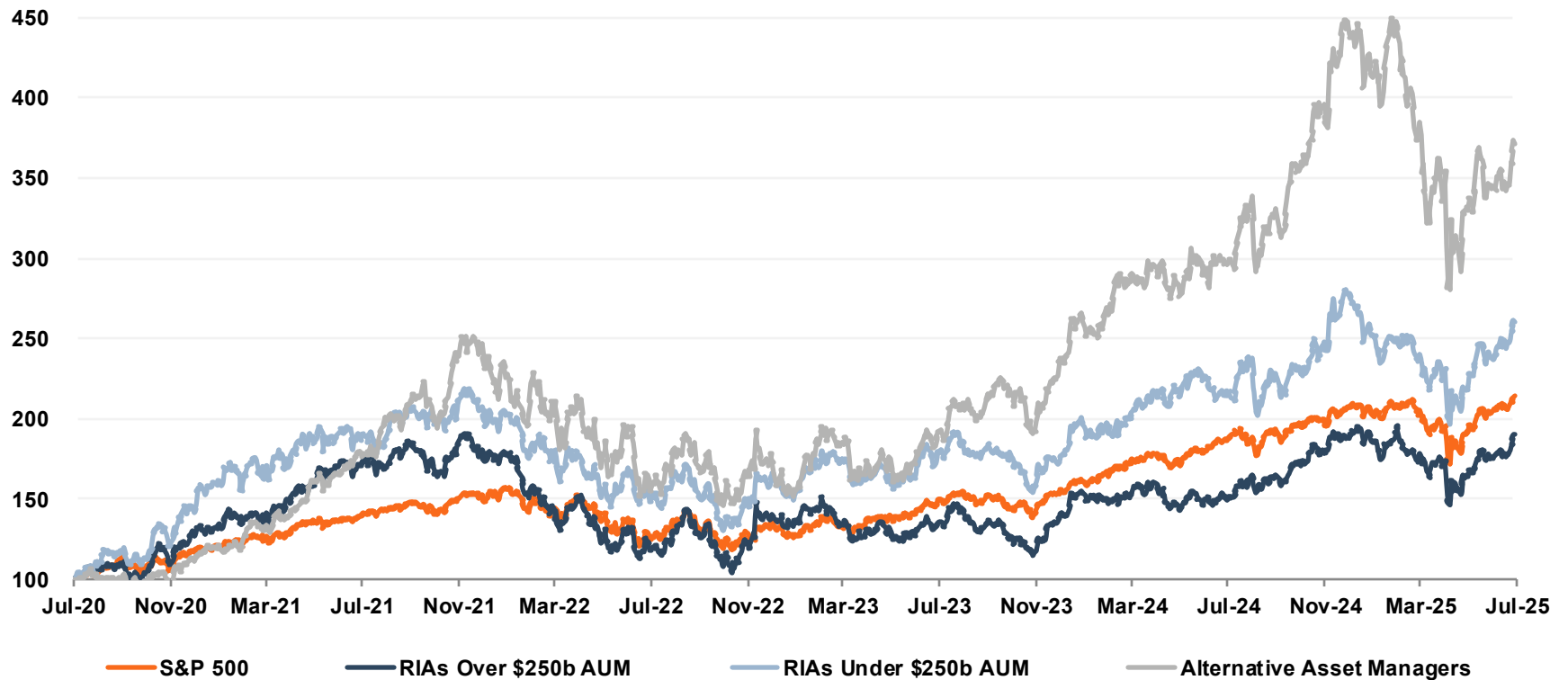
Quarter-Over-Quarter Price Index



Year-Over-Year Price Index



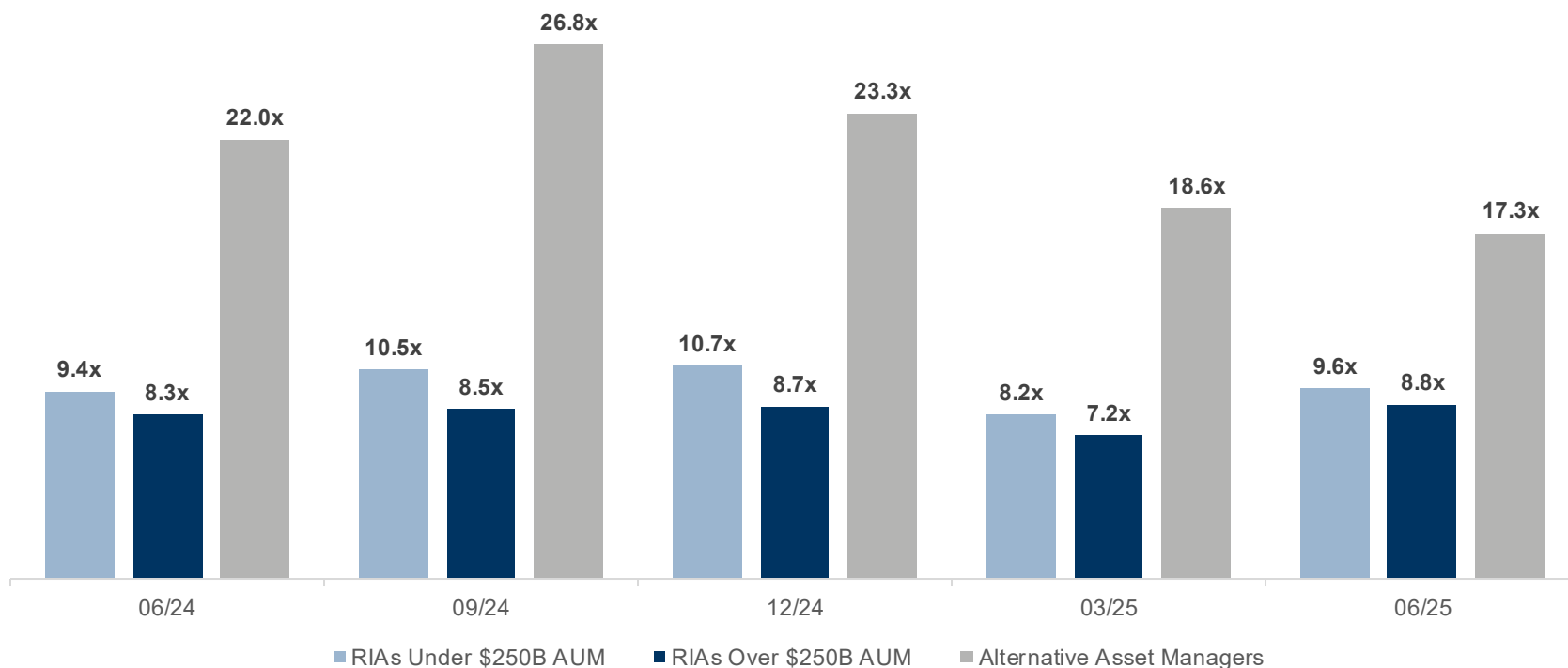
Long Term Total Return Index



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, peaking in the second half of the year. The median Enterprise Value to LTM EBITDA multiples for public RIAs increased in Q1 for traditional investment managers, but decreased for alternative asset managers, which still trade at a considerable premium to their peers given the often-significant balance sheet investments held by alternative managers.

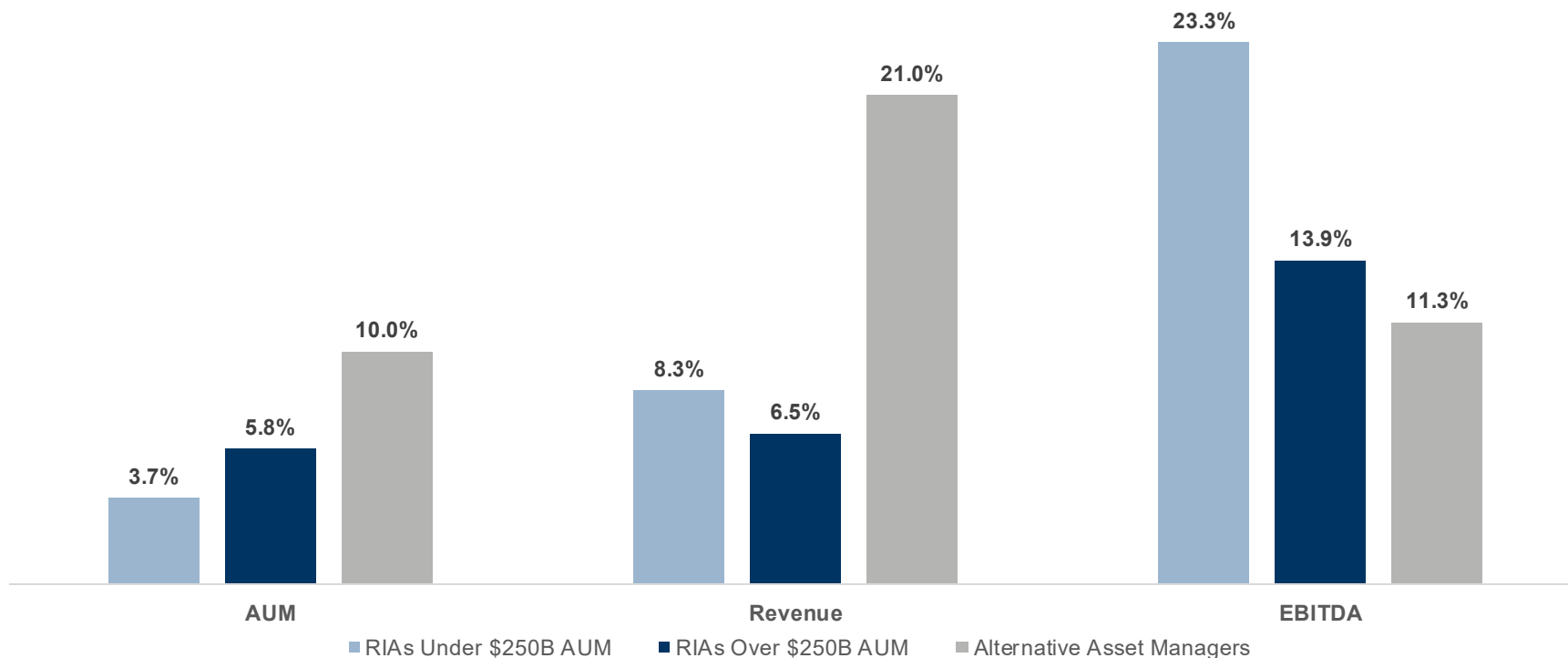
Enterprise Value to LTM EBITDA



Changes in Fundamentals

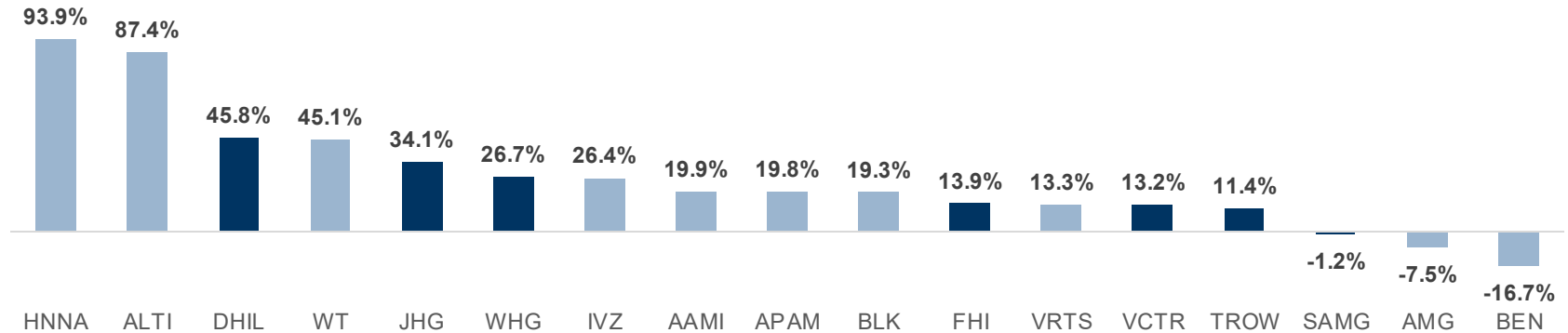
RIAs experienced a year-over-year increase in revenue which outpaced the AUM growth during the same period--a sign of fee expansion. As shown on Slide 2, the S&P 500 returned 14.9% year-over-year, providing a tailwind to AUM growth for most firms. AUM growth for all groups of RIAs examined was outpaced by growth in the S&P 500, implying organic outflows 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...

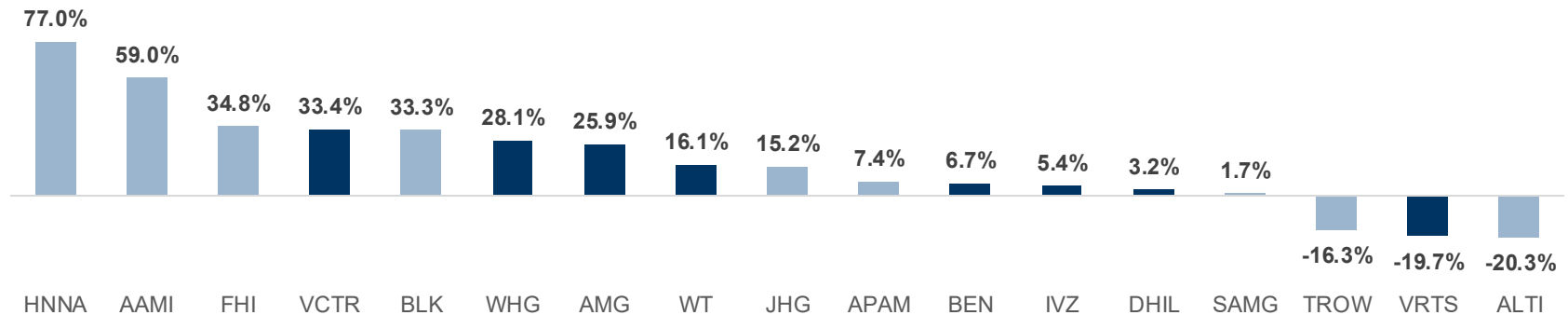


Winners and Losers

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	EBITDA
		Current	Prior Year	Avg. AUM	LTM	2025E	2026E	LTM	2025E	2026E	LTM	2025E	2026E	Realized	Margin
Companies Under \$250B AUM															
Acadian Asset Management Inc.	AAMI	\$121,900	\$110,400	\$116,500	\$520	\$522	\$554	\$164	\$168	\$177	\$90.5	na	na	0.45%	31.5%
ATI Global, Inc.	ALTI	44,800	38,000	43,560	214	253	281	(60)	42	64	(130.8)	(8.5)	22.4	0.49%	-28.0%
Artisan Partners Asset Management Inc.	APAM	162,390	160,384	162,142	1,125	1,107	1,162	386	397	426	261.4	215.9	217.1	0.69%	34.4%
Diamond Hill Investment Group, Inc.	DHIL	29,792	29,979	30,070	152	na	na	50	na	na	40.5	na	na	0.51%	32.8%
Hennessy Advisors, Inc.	HNNA	4,256	3,853	4,311	36	na	na	13	na	na	9.8	na	na	0.82%	36.7%
Silvercrest Asset Management Group Inc.	SAMG	35,300	34,500	34,960	125	126	133	22	27	32	9.0	12.2	15.1	0.36%	17.5%
Victory Capital Holdings, Inc.	VCTR	167,468	170,342	170,907	897	1,286	1,495	466	645	781	295.1	426.7	557.8	0.52%	51.9%
Virtus Investment Partners, Inc.	VRTS	167,463	179,311	175,820	903	772	776	252	262	264	120.5	na	na	0.51%	27.9%
Westwood Holdings Group, Inc.	WHG	16,983	16,150	16,454	95	na	na	10	na	na	0.4	na	na	0.58%	10.9%
WisdomTree, Inc.	WT	115,787	107,230	110,521	439	448	477	144	161	170	69.2	104.0	111.3	0.40%	32.8%
Summary Statistics for <\$250B AUM Group															
First Quartile		\$31,169	\$31,109	\$31,292	\$132	\$350	\$379	\$15	\$102	\$117	\$9	\$12	\$22	0.46%	20.1%
Average		\$86,614	\$85,015	\$86,524	\$451	\$645	\$697	\$145	\$243	\$273	\$77	\$150	\$185	0.53%	24.8%
Median		\$80,294	\$72,615	\$77,040	\$327	\$522	\$554	\$97	\$168	\$177	\$55	\$104	\$111	0.51%	32.1%
Third Quartile		\$152,268	\$147,888	\$150,731	\$803	\$939	\$969	\$230	\$330	\$345	\$113	\$216	\$217	0.57%	34.0%
Companies Over \$250B AUM															
Affiliated Managers Group, Inc.	AMG	712,200	\$699,400	\$709,780	2,038	2,063	2,143	980	950	1,009	434.2	562.8	653.9	0.29%	48.1%
Franklin Resources, Inc.	BEN	1,540,600	1,644,700	1,617,240	8,697	9,379	9,075	1,739	1,974	2,100	404.3	825.1	949.8	0.54%	20.0%
BlackRock, Inc.	BLK	11,583,928	10,472,500	11,145,752	20,955	22,614	25,114	8,415	9,506	10,816	6,306.0	6,598.1	7,612.8	0.19%	40.2%
Federated Hermes, Inc.	FHI	839,773	778,686	806,243	1,659	1,807	1,761	481	624	475	294.4	350.2	339.6	0.21%	29.0%
Invesco Ltd.	INZ	1,844,800	1,662,700	1,772,980	6,121	4,409	4,561	1,328	1,572	1,647	804.4	751.1	795.9	0.35%	21.7%
Janus Henderson Group plc	JHG	373,200	352,600	369,640	2,543	2,435	2,555	703	688	737	399.5	489.4	495.1	0.69%	27.7%
T. Rowe Price Group, Inc.	TROW	1,566,300	1,542,200	1,583,020	7,107	6,969	7,117	2,833	2,517	2,578	2,016.8	1,872.1	1,927.7	0.45%	39.9%
Summary Statistics for >\$250B AUM Group															
First Quartile		\$775,987	\$739,043	\$758,012	\$2,290	\$2,249	\$2,349	\$842	\$819	\$873	\$402	\$526	\$575	0.25%	24.7%
Average		\$2,637,257	\$2,450,398	\$2,572,094	\$7,017	\$7,096	\$7,475	\$2,354	\$2,547	\$2,766	\$1,523	\$1,636	\$1,825	0.39%	32.4%
Median		\$1,540,600	\$1,542,200	\$1,583,020	\$6,121	\$4,409	\$4,561	\$1,328	\$1,572	\$1,647	\$434	\$751	\$796	0.35%	29.0%
Third Quartile		\$1,705,550	\$1,653,700	\$1,695,110	\$7,902	\$8,174	\$8,096	\$2,286	\$2,245	\$2,339	\$1,411	\$1,349	\$1,439	0.49%	40.0%
Alternative Asset Managers															
Associated Capital Group, Inc.	AC	\$1,269	\$1,549	1,354	12	na	na	(\$19)	na	na	38.2	na	na	0.97%	-152.2%
Apollo Global Management, Inc.	APO	785,158	671,004	727,332	24,387	4,194	4,975	0	6,682	8,053	3,592.0	4,912.5	5,214.5	3.11%	0.0%
Ares Management Corporation	ARES	545,873	428,339	473,937	4,266	4,661	5,812	1,121	2,213	2,842	437.9	1,205.9	1,583.9	0.78%	26.3%
Bridge Investment Group Holdings Inc.	BRDG	49,350	48,029	49,069	454	335	411	93	148	227	11.3	105.6	130.3	0.92%	20.5%
Blackstone Inc.	BX	1,167,462	1,061,263	1,107,981	12,373	12,351	15,888	(177)	7,034	9,380	2,544.0	6,425.4	8,351.0	1.06%	-1.4%
The Carlyle Group Inc.	CG	452,608	425,465	440,223	5,039	4,054	4,828	(58)	1,619	2,041	1,084.8	1,415.6	1,630.8	1.11%	-1.1%
Cohen & Steers, Inc.	CNS	87,579	81,235	85,423	529	547	604	190	197	229	157.0	155.0	181.9	0.60%	35.9%
GCM Grosvenor Inc.	GCMG	81,955	78,780	79,816	530	515	582	108	214	248	17.0	18.1	26.5	0.65%	20.4%
Hamilton Lane Incorporated	HLNE	138,000	nm	133,425	713	684	694	356	330	320	217.4	271.4	241.8	0.52%	50.0%
KKR & Co. Inc.	KKR	664,319	577,633	621,052	20,309	7,926	10,420	(128)	5,891	8,899	2,208.1	2,066.0	4,365.5	3.06%	-0.6%
P10, Inc.	PX	273,300	174,320	225,108	2,466	2,689	3,304	1,103	1,543	1,904	91.9	971.8	1,247.4	0.90%	44.7%
StepStone Group Inc.	STEP	26,320	23,846	24,920	298	293	344	125	114	140	18.2	na	na	1.13%	42.1%
T. Rowe Price Group, Inc.	TROW	189,000	157,000	174,000	1,175	901	1,079	(205)	394	444	(179.6)	na	na	0.62%	-17.5%
Summary Statistics for Alternative Asset Managers															
First Quartile		\$83,361	\$78,780	\$81,218	\$529	\$547	\$604	(\$48)	\$214	\$248	\$22	\$202	\$212	0.68%	-1.0%
Average		\$336,630	\$304,004	\$312,948	\$5,447	\$3,168	\$3,955	\$197	\$2,107	\$2,784	\$734	\$1,618	\$2,122	1.21%	5.3%
Median		\$219,811	\$174,320	\$199,554	\$1,820	\$2,027	\$2,474	\$101	\$1,011	\$1,465	\$972	\$1,247	\$1,427	0.94%	13.5%
Third Quartile		\$522,557	\$428,339	\$465,509	\$4,846	\$4,194	\$4,975	\$231	\$2,213	\$2,842	\$923	\$1,741	\$2,998	1.13%	33.5%

Market Data - Detail

		P/E			EV / AUM	EV / Revenue			EV / EBITDA			Enterprise Value
		LTM	2025E	2026E		LTM	2025E	2026E	LTM	2025E	2026E	
Companies Under \$250B AUM		Ticker										
Acadian Asset Management Inc.	AAM	13.9x	nm	nm	1.29%	3.0x	3.0x	2.8x	9.6x	9.3x	8.9x	\$1,567
ATI Global, Inc.	ALTI	nm	nm	18.5x	2.18%	4.6x	3.9x	3.5x	nm	23.3x	15.3x	979
Artisan Partners Asset Management Inc.	APAM	11.9x	14.5x	14.4x	2.47%	3.6x	3.6x	3.4x	10.4x	10.1x	9.4x	4,005
Diamond Hill Investment Group, Inc.	DHIL	9.8x	nm	nm	1.25%	2.4x	nm	nm	7.5x	nm	nm	372
Hennessy Advisors, Inc.	HNNA	10.0x	nm	nm	1.65%	2.0x	nm	nm	5.4x	nm	nm	70
Silvercrest Asset Management Group Inc.	SAMG	16.3x	12.1x	9.7x	0.58%	1.6x	1.6x	1.5x	9.3x	7.5x	6.4x	204
Victory Capital Holdings, Inc.	VCTR	14.5x	10.0x	7.7x	3.03%	5.7x	3.9x	3.4x	10.9x	7.9x	6.5x	5,070
Virtus Investment Partners, Inc.	VRTS	10.4x	nm	nm	0.89%	1.7x	1.9x	1.9x	5.9x	5.7x	5.7x	1,496
Westwood Holdings Group, Inc.	WHG	326.5x	nm	nm	0.84%	1.5x	nm	nm	13.8x	nm	nm	143
WisdomTree, Inc.	WT	23.8x	15.8x	14.8x	1.64%	4.3x	4.3x	4.0x	13.2x	11.8x	11.2x	1,904
Summary Statistics for <\$250B AUM Group												
First Quartile		10.4x	11.6x	9.7x	0.98%	1.7x	2.5x	2.4x	7.5x	7.7x	6.4x	\$246
Average		48.6x	13.1x	13.0x	1.58%	3.0x	3.2x	2.9x	9.6x	10.8x	9.0x	\$1,581
Median		13.9x	13.3x	14.4x	1.46%	2.7x	3.6x	3.4x	9.6x	9.3x	8.9x	\$1,237
Third Quartile		16.3x	14.8x	14.8x	2.05%	4.1x	3.9x	3.5x	10.9x	10.9x	10.3x	\$1,820
Companies Over \$250B AUM		Ticker										
Affiliated Managers Group, Inc.	AMG	12.9x	9.9x	8.6x	1.21%	4.2x	4.2x	4.0x	8.8x	9.1x	8.5x	\$8,609
Franklin Resources, Inc.	BEN	31.0x	15.2x	13.2x	0.99%	1.8x	1.6x	1.7x	8.8x	7.7x	7.3x	15,283
BlackRock, Inc.	BLK	25.8x	24.6x	21.4x	1.46%	8.1x	7.5x	6.7x	20.1x	17.8x	15.6x	169,165
Federated Hermes, Inc.	FHI	11.4x	9.6x	9.8x	0.38%	1.9x	1.8x	1.8x	6.7x	5.2x	6.8x	3,218
Invesco Ltd.	IVZ	8.8x	9.4x	8.9x	0.67%	2.0x	2.8x	2.7x	9.3x	7.8x	7.5x	12,300
Janus Henderson Group plc	JHG	15.3x	12.5x	12.4x	1.34%	2.0x	2.1x	2.0x	7.1x	7.3x	6.8x	4,999
T. Rowe Price Group, Inc.	TROW	10.5x	11.4x	11.0x	1.25%	2.8x	2.8x	2.8x	6.9x	7.8x	7.6x	19,606
Summary Statistics for >\$250B AUM Group												
First Quartile		11.0x	9.7x	9.4x	0.83%	2.0x	1.9x	1.9x	7.0x	7.5x	7.0x	\$6,804
Average		16.5x	13.2x	12.2x	1.04%	3.2x	3.2x	3.1x	9.7x	8.9x	8.6x	\$33,311
Median		12.9x	11.4x	11.0x	1.21%	2.0x	2.8x	2.7x	8.8x	7.8x	7.5x	\$12,300
Third Quartile		20.5x	13.8x	12.8x	1.30%	3.5x	3.5x	3.4x	9.0x	8.4x	8.1x	\$17,444
Alternative Asset Managers		Ticker										
Associated Capital Group, Inc.	AC	20.8x	nm	nm	34.71%	35.8x	nm	nm	nm	nm	nm	\$441
Apollo Global Management, Inc.	APO	22.6x	16.5x	15.5x	12.77%	4.1x	23.9x	20.2x	nm	15.0x	12.5x	100,282
Ares Management Corporation	ARES	86.4x	31.4x	23.9x	9.98%	12.8x	11.7x	9.4x	48.6x	24.6x	19.2x	54,504
Bridge Investment Group Holdings Inc.	BRDG	39.6x	4.2x	3.4x	2.45%	2.7x	3.6x	2.9x	13.0x	8.2x	5.3x	1,207
Blackstone Inc.	BX	45.5x	18.0x	13.8x	11.87%	11.2x	11.2x	8.7x	nm	19.7x	14.8x	138,540
The Carlyle Group Inc.	CG	17.1x	13.1x	11.4x	6.09%	5.5x	6.8x	5.7x	nm	17.0x	13.5x	27,567
Cohen & Steers, Inc.	CNS	24.5x	24.8x	21.1x	4.30%	7.1x	6.9x	6.2x	19.8x	19.1x	16.5x	3,763
GCM Grosvenor Inc.	GCMG	33.9x	31.9x	21.8x	1.05%	1.6x	1.7x	1.5x	7.9x	4.0x	3.5x	862
Hamilton Lane Incorporated	HLNE	27.0x	21.7x	24.3x	4.46%	8.6x	9.0x	8.9x	17.3x	18.7x	19.2x	6,160
KKR & Co. Inc.	KKR	53.7x	57.3x	27.1x	26.00%	8.5x	21.8x	16.6x	nm	29.3x	19.4x	172,724
P10, Inc.	PX	130.7x	12.4x	9.6x	7.03%	7.8x	7.1x	5.8x	17.4x	12.4x	10.1x	19,205
StepStone Group Inc.	STEP	63.0x	nm	nm	5.58%	4.9x	5.0x	4.3x	11.7x	12.8x	10.5x	1,469
T. Rowe Price Group, Inc.	TROW	nm	nm	nm	3.09%	5.0x	6.5x	5.4x	nm	14.8x	13.1x	5,835
Summary Statistics for Alternative Asset Managers												
First Quartile		24.5x	14.8x	12.6x	4.32%	4.3x	5.4x	4.4x	12.7x	12.4x	10.1x	\$2,042
Average		60.9x	23.8x	17.5x	9.56%	8.5x	9.3x	7.7x	22.6x	15.9x	12.7x	\$38,826
Median		39.6x	21.7x	20.9x	5.84%	6.3x	6.9x	5.8x	17.3x	15.0x	13.1x	\$8,581
Third Quartile		63.0x	30.9x	22.8x	11.40%	8.6x	11.2x	8.9x	26.1x	19.1x	16.5x	\$47,770

Market Data - Detail

		Price for 6/30/2025	Price 6/30/2024	LTM High Price	LTM Low Price	Price/ LTM High	Price/LTM Low	Change 1 Year	Dividend Yield (%)	5 Year Beta
Companies Under \$250B AUM		Ticker								
Acadian Asset Management Inc.	AAM	\$35.24	\$22.17	\$35.80	\$21.49	98%	164%	59.0%	0.1%	1.37
ATI Global, Inc.	ALTI	\$4.15	\$5.21	\$5.36	\$2.33	77%	178%	-20.3%	nm	0.80
Artisan Partners Asset Management Inc.	APAM	\$44.33	\$41.27	\$49.54	\$32.75	89%	135%	7.4%	8.0%	1.68
Diamond Hill Investment Group, Inc.	DHIL	\$145.31	\$140.75	\$173.25	\$122.32	84%	119%	3.2%	4.1%	0.74
Hennessy Advisors, Inc.	HNNA	\$12.60	\$7.12	\$13.88	\$7.00	91%	180%	77.0%	4.4%	0.74
Silvercrest Asset Management Group Inc.	SAMG	\$15.86	\$15.59	\$19.20	\$13.54	83%	117%	1.7%	5.0%	0.81
Victory Capital Holdings, Inc.	VCTR	\$63.67	\$47.73	\$73.42	\$43.82	87%	145%	33.4%	3.1%	1.04
Virtus Investment Partners, Inc.	VRTS	\$181.40	\$225.85	\$252.82	\$142.18	72%	128%	-19.7%	5.0%	1.44
Westwood Holdings Group, Inc.	WHG	\$15.60	\$12.18	\$18.03	\$11.11	87%	140%	28.1%	3.8%	0.85
WisdomTree, Inc.	WT	\$11.51	\$9.91	\$12.45	\$7.47	92%	154%	16.1%	1.0%	1.14
Summary Statistics for <\$250B AUM Group										
First Quartile								2.1%	3.1%	0.80
Average								18.6%	3.8%	1.06
Median								11.8%	4.1%	0.95
Third Quartile								32.1%	5.0%	1.31
Companies Over \$250B AUM		Ticker								
Affiliated Managers Group, Inc.	AMG	\$196.77	\$156.23	\$199.52	\$139.22	99%	141%	25.9%	0.0%	1.10
Franklin Resources, Inc.	BEN	\$23.85	\$22.35	\$24.37	\$16.25	98%	147%	6.7%	5.4%	1.47
BlackRock, Inc.	BLK	\$1,049.25	\$787.32	\$1,084.22	\$773.74	97%	136%	33.3%	2.0%	1.42
Federated Hermes, Inc.	FHI	\$44.32	\$32.88	\$44.63	\$31.94	99%	139%	34.8%	3.1%	0.73
Invesco Ltd.	IVZ	\$15.77	\$14.96	\$19.55	\$11.60	81%	136%	5.4%	5.3%	1.44
Janus Henderson Group plc	JHG	\$38.84	\$33.71	\$46.68	\$28.26	83%	137%	15.2%	4.1%	1.40
T. Rowe Price Group, Inc.	TROW	\$96.50	\$115.31	\$125.81	\$77.85	77%	124%	-16.3%	5.3%	1.51
Summary Statistics for >\$250B AUM Group										
First Quartile								6.1%	2.5%	1.25
Average								15.0%	3.6%	1.30
Median								15.2%	4.1%	1.42
Third Quartile								29.6%	5.3%	1.46
Alternative Asset Managers		Ticker								
Associated Capital Group, Inc.	AC	\$38	\$34	\$44	\$29	86%	1.31x	10.2%	0.5%	0.60
Apollo Global Management, Inc.	APO	142	118	189	95	75%	1.49x	20.2%	1.4%	1.57
Ares Management Corporation	ARES	173	133	200	111	86%	1.57x	30.0%	2.6%	1.39
Bridge Investment Group Holdings Inc.	BRDG	10	7	12	7	86%	1.41x	34.9%	4.2%	1.42
Blackstone Inc.	BX	150	124	201	116	74%	1.29x	20.8%	2.6%	1.64
The Carlyle Group Inc.	CG	51	40	58	33	89%	1.56x	28.0%	2.7%	1.85
Cohen & Steers, Inc.	CNS	75	73	111	69	68%	1.09x	3.8%	3.3%	1.30
GCM Grosvenor Inc.	GCMG	12	10	14	10	80%	1.21x	18.4%	3.8%	0.70
Hamilton Lane Incorporated	HLNE	142	124	204	121	70%	1.18x	15.0%	1.5%	1.24
KKR & Co. Inc.	KKR	133	105	170	86	78%	1.54x	26.4%	0.6%	1.88
P10, Inc.	PX	19	18	27	15	72%	1.32x	8.2%	4.7%	1.16
StepStone Group Inc.	STEP	10	8	14	8	72%	1.26x	20.5%	1.5%	0.81
T. Rowe Price Group, Inc.	TROW	56	46	70	40	79%	1.39x	20.9%	2.5%	1.36
Summary Statistics for Alternative Asset Managers										
First Quartile								15.9%	1.5%	1.18
Average								20.3%	2.5%	1.32
Median								20.7%	2.6%	1.37
Third Quartile								26.5%	3.3%	1.56

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