

## INTRO:



At Perritt Capital Management, we take focused positions in companies where we have a high conviction in their success; companies that are out of the mainstream of small cap investing. To highlight our process, we are pleased to present the newest installment in our ongoing series “[Marvelous Microcaps - Big Ideas on Small Companies.](#)” This series profiles companies that we believe have a niche in their existing markets or are launching a product that could disrupt their marketplace.

## THE COMPANY:

Silvercrest Asset Management Group Inc. (SAMG) is a wealth management firm who provides financial advisory and related family office services. The company serves ultra-high net worth individuals and families, as well as their trusts, endowments, foundations, and other institutional investors. It also manages funds of funds and other investment funds. SAMG pays a 4.3% dividend yield, has no long-term debt, revenues have grown at 9% a year for the last 10 years, and their assets under management (AUM) has a 28% compound annual growth rate (CAGR). In addition, they have a free cash flow yield of 19.47%.

## WHY WE OWN: THE PERRITT ADVANTAGE:

SAMG has a simple business model and demonstrable profitable growth making it a very tempting investment. By growing assets under management, they grow revenues and profits. The revenues come from management and advisory fees, performance fees and allocations, and family office services. Revenue declined 6.4% in 2022 due to volatile market conditions but their AUM increased 7.7% in the fourth quarter and they gained \$220 million in new relationships. Their relatively new product called Chief Investment Officer manages \$1.45 billion far ahead of their original target of \$1B at the year end.

While increasing inflows of assets to grow their AUM, their proprietary equities and fixed income strategies have beaten their benchmark index since inception, thus providing more growth of AUM. The key to SAMG's success is its ability to grow AUM. Given the success of its investment strategies, we believe it should continue to be able to do so, resulting in future growth and profitability. SAMG remains attractively valued at less than 9 times trailing earnings. We believe patient, long-term investors may be strongly rewarded and a 4.3% yield is a solid dividend in the meantime.

Data here is obtained from what are considered reliable sources. We consider the data used to be relevant and reliable.

Fund holdings and sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Please click [PRCGX](#) and [PREOX](#) for a list of the top ten holdings.

Dividends are not guaranteed and may fluctuate. Revenue growth is not a measure of future performance.

Dividend Yield is a financial ratio that tells you the percentage of company's share price that it pays out in dividends each year.

CAGR – Compound annual growth rate is the annualized average rate of revenue growth between two given years, assuming growth takes place at an exponentially compounded rate.

Free cash flow yield is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share. The ratio is calculated by taking the free cash flow per share divided by the current share price.

*Before you invest in the Perritt MicroCap Opportunities Fund or Perritt Ultra MicroCap Fund, please refer to the prospectus for important information about the investment company, including investment objectives, risks, charges, and expenses. You may also obtain a hard copy of the [prospectus](#) by calling 800-331-8936. The [prospectus](#) should be read carefully before you invest.*

**Mutual fund investing involves risk. Principal loss is possible. The Funds invest in smaller companies, which involve additional risks, such as limited liquidity and greater volatility. The Funds invest in microcap companies which tend to perform poorly during times of economic stress. The Ultra MicroCap Fund may invest in early-stage companies which tend to be more volatile and more speculative than investments in more established companies. Past Performance does not guarantee future results.**

**The Perritt Funds are distributed by Quasar Distributors, LLC.**

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