UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number 001-32975

EVERCORE INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-4748747**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

55 East 52nd Street
New York, New York 10055

(Address of principal executive offices)
Registrant's telephone number, including area code: (212) 857-3100
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	**EVR**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Class A common stock, par value $0.01 per share, outstanding as of July 22, 2021 was 39,657,354. The number of shares of the registrant's Class B common stock, par value $0.01 per share, outstanding as of July 22, 2021 was 47 (excluding 53 shares of Class B common stock held by a subsidiary of the registrant).

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In this report, references to "Evercore", the "Company", "we", "us", "our" refer to Evercore Inc., a Delaware corporation, and its consolidated subsidiaries. Unless the context otherwise requires, references to (1) "Evercore Inc." refer solely to Evercore Inc., and not to any of its consolidated subsidiaries and (2) "Evercore LP" refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Financial Statements (Unaudited)

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)
(dollars in thousands, except share data)

	June 30, 2021	December 31, 2020
Assets		
Current Assets		
Cash and Cash Equivalents	$ 442,187	$ 829,598
Investment Securities and Certificates of Deposit (includes available-for-sale debt securities with an amortized cost of $278,979 and $402,824 at June 30, 2021 and December 31, 2020, respectively)	1,062,916	1,060,836
Accounts Receivable (net of allowances of $2,143 and $5,372 at June 30, 2021 and December 31, 2020, respectively)	328,543	368,346
Receivable from Employees and Related Parties	19,043	23,593
Other Current Assets	108,477	92,231
Total Current Assets	1,961,166	2,374,604
Investments	75,839	86,681
Deferred Tax Assets	257,492	257,862
Operating Lease Right-of-Use Assets	264,456	270,498
Furniture, Equipment and Leasehold Improvements (net of accumulated depreciation and amortization of $152,992 and $139,572 at June 30, 2021 and December 31, 2020, respectively)	151,173	148,832
Goodwill	129,424	129,126
Intangible Assets (net of accumulated amortization of $3,114 and $2,932 at June 30, 2021 and December 31, 2020, respectively)	516	698
Other Assets	107,382	102,587
Total Assets	$ 2,947,448	$ 3,370,888
Liabilities and Equity		
Current Liabilities		
Accrued Compensation and Benefits	$ 540,119	$ 778,043
Accounts Payable and Accrued Expenses	43,776	37,961
Payable to Employees and Related Parties	48,097	24,047
Operating Lease Liabilities	44,223	42,871
Taxes Payable	4,809	15,346
Current Portion of Notes Payable	—	37,974
Other Current Liabilities	29,885	127,691
Total Current Liabilities	710,909	1,063,933
Operating Lease Liabilities	297,060	300,275
Notes Payable	376,778	338,518
Amounts Due Pursuant to Tax Receivable Agreements	79,108	76,860
Other Long-term Liabilities	58,326	101,928
Total Liabilities	1,522,181	1,881,514
Commitments and Contingencies (Note 16)		
Equity		
Evercore Inc. Stockholders' Equity		
Common Stock		
Class A, par value $0.01 per share (1,000,000,000 shares authorized, 74,588,183 and 72,195,283 issued at June 30, 2021 and December 31, 2020, respectively, and 39,834,711 and 40,750,225 outstanding at June 30, 2021 and December 31, 2020, respectively)	746	722
Class B, par value $0.01 per share (1,000,000 shares authorized, 47 and 48 issued and outstanding at June 30, 2021 and December 31, 2020, respectively)	—	—
Additional Paid-In-Capital	2,383,725	2,266,136
Accumulated Other Comprehensive Income (Loss)	(7,227)	(9,758)
Retained Earnings	1,023,260	798,573
Treasury Stock at Cost (34,753,472 and 31,445,058 shares at June 30, 2021 and December 31, 2020, respectively)	(2,249,533)	(1,824,727)
Total Evercore Inc. Stockholders' Equity	1,150,971	1,230,946
Noncontrolling Interest	274,296	258,428
Total Equity	1,425,267	1,489,374
Total Liabilities and Equity	$ 2,947,448	$ 3,370,888

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars and share amounts in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Investment Banking:				
Advisory Fees	$ 560,814	$ 336,436	$ 1,072,732	$ 695,000
Underwriting Fees	48,048	93,565	127,305	114,683
Commissions and Related Revenue	50,725	54,334	104,251	109,900
Asset Management and Administration Fees	16,183	12,953	31,132	25,700
Other Revenue, Including Interest and Investments	16,401	15,116	23,631	168
Total Revenues	692,171	512,404	1,359,051	945,451
Interest Expense	4,306	5,329	8,876	11,369
Net Revenues	687,865	507,075	1,350,175	934,082
Expenses				
Employee Compensation and Benefits	407,798	334,046	803,188	604,788
Occupancy and Equipment Rental	17,513	17,365	36,222	36,275
Professional Fees	21,401	18,875	43,008	35,841
Travel and Related Expenses	3,715	3,756	6,007	19,907
Communications and Information Services	14,080	14,269	28,109	26,836
Depreciation and Amortization	7,151	6,975	13,792	13,846
Execution, Clearing and Custody Fees	2,913	3,204	6,465	7,390
Special Charges, Including Business Realignment Costs	—	8,558	—	32,234
Acquisition and Transition Costs	—	98	7	106
Other Operating Expenses	6,281	13,200	12,156	20,827
Total Expenses	480,852	420,346	948,954	798,050
Income Before Income from Equity Method Investments and Income Taxes	207,013	86,729	401,221	136,032
Income from Equity Method Investments	3,394	2,313	6,418	5,441
Income Before Income Taxes	210,407	89,042	407,639	141,473
Provision for Income Taxes	46,478	21,814	78,159	35,365
Net Income	163,929	67,228	329,480	106,108
Net Income Attributable to Noncontrolling Interest	23,570	10,816	44,769	18,521
Net Income Attributable to Evercore Inc.	$ 140,359	$ 56,412	$ 284,711	$ 87,587
Net Income Attributable to Evercore Inc. Common Shareholders	$ 140,359	$ 56,412	$ 284,711	$ 87,587
Weighted Average Shares of Class A Common Stock Outstanding				
Basic	40,667	40,635	41,010	40,313
Diluted	43,661	41,894	44,053	42,105
Net Income Per Share Attributable to Evercore Inc. Common Shareholders:				
Basic	$ 3.45	$ 1.39	$ 6.94	$ 2.17
Diluted	$ 3.21	$ 1.35	$ 6.46	$ 2.08

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income	$ 163,929	$ 67,228	$ 329,480	$ 106,108
Other Comprehensive Income (Loss), net of tax:				
Unrealized Gain (Loss) on Securities and Investments, net	453	(764)	495	(1,697)
Foreign Currency Translation Adjustment Gain (Loss), net	886	1,667	2,439	(9,641)
Other Comprehensive Income (Loss)	1,339	903	2,934	(11,338)
Comprehensive Income	165,268	68,131	332,414	94,770
Comprehensive Income Attributable to Noncontrolling Interest	23,739	10,958	45,172	16,754
Comprehensive Income Attributable to Evercore Inc.	$ 141,529	$ 57,173	$ 287,242	$ 78,016

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(dollars in thousands, except share data)

For the Three Months Ended June 30, 2021

	Class A Common Stock		Additional	Accumulated Other		Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Paid-In Capital	Comprehensive Income (Loss)	Retained Earnings	Shares	Dollars	Interest	Equity
Balance at March 31, 2021	74,521,960	$ 745	$ 2,322,421	$ (8,397)	$ 914,120	(33,385,488)	$ (2,059,581)	$ 265,089	$ 1,434,397
Net Income	—	—	—	—	140,359	—	—	23,570	163,929
Other Comprehensive Income	—	—	—	1,170	—	—	—	169	1,339
Treasury Stock Purchases	—	—	—	—	—	(1,367,984)	(189,952)	—	(189,952)
Evercore LP Units Exchanged for Class A Common Stock	20,550	—	1,555	—	—	—	—	(1,033)	522
Equity-based Compensation Awards	45,673	1	59,749	—	—	—	—	3,011	62,761
Dividends	—	—	—	—	(31,219)	—	—	—	(31,219)
Noncontrolling Interest (Note 13)	—	—	—	—	—	—	—	(16,510)	(16,510)
Balance at June 30, 2021	74,588,183	$ 746	$ 2,383,725	$ (7,227)	$ 1,023,260	(34,753,472)	$ (2,249,533)	$ 274,296	$ 1,425,267

For the Six Months Ended June 30, 2021

	Class A Common Stock		Additional	Accumulated Other		Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Paid-In Capital	Comprehensive Income (Loss)	Retained Earnings	Shares	Dollars	Interest	Equity
Balance at December 31, 2020	72,195,283	$ 722	$ 2,266,136	$ (9,758)	$ 798,573	(31,445,058)	$ (1,824,727)	$ 258,428	$ 1,489,374
Net Income	—	—	—	—	284,711	—	—	44,769	329,480
Other Comprehensive Income	—	—	—	2,531	—	—	—	403	2,934
Treasury Stock Purchases	—	—	—	—	—	(3,308,414)	(424,806)	—	(424,806)
Evercore LP Units Exchanged for Class A Common Stock	140,693	1	8,766	—	—	—	—	(6,747)	2,020
Equity-based Compensation Awards	2,252,207	23	111,649	—	—	—	—	6,107	117,779
Dividends	—	—	—	—	(60,024)	—	—	—	(60,024)
Noncontrolling Interest (Note 13)	—	—	(2,826)	—	—	—	—	(28,664)	(31,490)
Balance at June 30, 2021	74,588,183	$ 746	$ 2,383,725	$ (7,227)	$ 1,023,260	(34,753,472)	$ (2,249,533)	$ 274,296	$ 1,425,267

For the Three Months Ended June 30, 2020

	Class A Common Stock		Additional	Accumulated Other		Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Paid-In Capital	Comprehensive Income (Loss)	Retained Earnings	Shares	Dollars	Interest	Equity
Balance at March 31, 2020	71,899,956	$ 719	$ 2,111,945	$ (37,928)	$ 561,017	(31,364,545)	$ (1,819,182)	$ 221,294	$ 1,037,865
Net Income	—	—	—	—	56,412	—	—	10,816	67,228
Other Comprehensive Income	—	—	—	761	—	—	—	142	903
Treasury Stock Purchases	—	—	—	—	—	(28,935)	(1,546)	—	(1,546)
Evercore LP Units Exchanged for Class A Common Stock	14,660	—	765	—	—	—	—	(583)	182
Equity-based Compensation Awards	63,137	1	54,127	—	—	—	—	2,384	56,512
Dividends	—	—	—	—	(26,563)	—	—	—	(26,563)
Noncontrolling Interest (Note 13)	—	—	—	—	—	—	—	(2,431)	(2,431)
Balance at June 30, 2020	71,977,753	$ 720	$ 2,166,837	$ (37,167)	$ 590,866	(31,393,480)	$ (1,820,728)	$ 231,622	$ 1,132,150

For the Six Months Ended June 30, 2020

	Class A Common Stock		Additional	Accumulated Other		Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Paid-In Capital	Comprehensive Income (Loss)	Retained Earnings	Shares	Dollars	Interest	Equity
Balance at December 31, 2019	68,698,675	$ 687	$ 2,016,524	$ (27,596)	$ 558,269	(29,522,665)	$ (1,678,168)	$ 256,534	$ 1,126,250
Cumulative Effect of Accounting Change(1)	—	—	—	—	(1,310)	—	—	—	(1,310)
Net Income	—	—	—	—	87,587	—	—	18,521	106,108
Other Comprehensive Income (Loss)	—	—	—	(9,571)	—	—	—	(1,767)	(11,338)
Treasury Stock Purchases	—	—	—	—	—	(1,870,815)	(142,560)	—	(142,560)
Evercore LP Units Exchanged for Class A Common Stock	806,355	8	42,342	—	—	—	—	(33,754)	8,596
Equity-based Compensation Awards	2,472,723	25	109,536	—	—	—	—	5,695	115,256
Dividends	—	—	—	—	(53,680)	—	—	—	(53,680)
Noncontrolling Interest (Note 13)	—	—	(1,565)	—	—	—	—	(13,607)	(15,172)
Balance at June 30, 2020	71,977,753	$ 720	$ 2,166,837	$ (37,167)	$ 590,866	(31,393,480)	$ (1,820,728)	$ 231,622	$ 1,132,150

(1) The cumulative adjustment relates to the adoption of Accounting Standards Update ("ASU") No. 2016-13, *"Measurement of Credit Losses on Financial Instruments"* ("ASU 2016-13") on January 1, 2020, for which the Company recorded an adjustment to Retained Earnings to reflect an increase in the Company's Allowance for Doubtful Accounts as a result of the use of the current expected credit loss model.

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	For the Six Months Ended June 30,	
	2021	2020
Cash Flows From Operating Activities		
Net Income	$ 329,480	$ 106,108
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Net (Gains) Losses on Investments and Investment Securities	(22,193)	11,780
Equity Method Investments	5,038	3,309
Equity-Based and Other Deferred Compensation	202,186	176,968
Noncash Lease Expense	20,311	18,284
Depreciation, Amortization and Accretion	14,129	15,989
Bad Debt Expense	(1,766)	5,331
Deferred Taxes	3,982	2,112
Decrease (Increase) in Operating Assets:		
Investment Securities	(1,946)	2,601
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	(6,486)
Securities Purchased Under Agreements to Resell	—	6,334
Accounts Receivable	42,638	(25,778)
Receivable from Employees and Related Parties	4,558	(612)
Other Assets	(20,482)	33,968
(Decrease) Increase in Operating Liabilities:		
Accrued Compensation and Benefits	(359,317)	(241,190)
Accounts Payable and Accrued Expenses	6,001	62
Securities Sold Under Agreements to Repurchase	—	149
Payables to Employees and Related Parties	23,791	5,529
Taxes Payable	(10,537)	380
Other Liabilities	(121,415)	3,932
Net Cash Provided by Operating Activities	114,458	118,770
Cash Flows From Investing Activities		
Investments Purchased	(1,355)	—
Proceeds from Redemption of G5 Debt Security	11,779	—
Distributions of Private Equity Investments	171	234
Investment Securities:		
Proceeds from Sales and Maturities of Investment Securities and Futures Contracts Activity	992,836	543,251
Purchases of Investment Securities and Futures Contracts Activity	(852,579)	(244,470)
Maturity of Certificates of Deposit	—	214,266
Purchase of Certificates of Deposit	(122,510)	—
Purchase of Furniture, Equipment and Leasehold Improvements	(16,374)	(29,665)
Net Cash Provided by Investing Activities	11,968	483,616
Cash Flows From Financing Activities		
Issuance of Noncontrolling Interests	1,107	540
Distributions to Noncontrolling Interests	(29,642)	(14,009)
Payment of Notes Payable	(38,000)	—
Issuance of Notes Payable	38,000	—
Debt Issuance Costs	(355)	—
Purchase of Treasury Stock and Noncontrolling Interests	(423,188)	(143,412)
Dividends	(65,139)	(57,529)
Net Cash Provided by (Used in) Financing Activities	(517,217)	(214,410)
Effect of Exchange Rate Changes on Cash	3,558	(6,842)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(387,233)	381,134
Cash, Cash Equivalents and Restricted Cash – Beginning of Period	838,224	643,886
Cash, Cash Equivalents and Restricted Cash – End of Period	$ 450,991	$ 1,025,020
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$ 8,912	$ 12,856
Payments for Income Taxes	$ 70,772	$ 23,646
Accrued Dividends	$ 7,096	$ 6,918
Noncash Purchase of Noncontrolling Interest	$ —	$ 851
Receipt of Equity Securities in Settlement of Accounts Receivable	$ 1,955	$ —

See Notes to Unaudited Condensed Consolidated Financial Statements.

Note 1 – Organization

Evercore Inc., together with its subsidiaries (the "Company"), is an investment banking and investment management firm, incorporated in Delaware and headquartered in New York, New York. The Company is a holding company which owns a controlling interest in, and is the sole general partner of, Evercore LP, a Delaware limited partnership ("Evercore LP"). The Company operates from its offices and through its affiliates in North America, Europe, the Middle East and Asia.

The Investment Banking segment includes the advisory business through which the Company provides advice to clients on significant mergers, acquisitions, divestitures, shareholder activism and other strategic corporate transactions, with a particular focus on advising prominent multinational corporations and substantial private equity firms on large, complex transactions. The Company also provides restructuring advice to companies in financial transition, as well as to creditors, shareholders and potential acquirers. In addition, the Company provides its clients with capital markets advice, underwrites securities offerings, raises funds for financial sponsors and provides advisory services focused on secondary transactions for private funds interests, as well as on primary and secondary transactions for real estate oriented financial sponsors and private equity interests. The Investment Banking business also includes the Evercore ISI business through which the Company offers macroeconomic, policy and fundamental equity research and agency-based equity securities trading for institutional investors.

The Investment Management segment includes the wealth management business through which the Company provides investment advisory, wealth management and fiduciary services for high-net-worth individuals and associated entities, and the private equity business, which holds interests in private equity funds which are not managed by the Company. The Company's historical results also include the institutional asset management business, through which the Company directly and through affiliates, managed financial assets for sophisticated institutional investors. This business included Evercore Casa de Bolsa, S.A. de C.V. ("ECB"), which was sold during 2020.

Note 2 – Significant Accounting Policies

For a further discussion of the Company's accounting policies, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Basis of Presentation – The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q. As permitted by the rules and regulations of the United States Securities and Exchange Commission, the unaudited condensed consolidated financial statements contain certain condensed financial information and exclude certain footnote disclosures normally included in audited consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying condensed consolidated financial statements are unaudited and are prepared in accordance with U.S. GAAP. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, including normal recurring accruals, necessary to fairly present the accompanying unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2020. The December 31, 2020 Unaudited Condensed Consolidated Statement of Financial Condition data was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP. Operating results for interim periods are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2021.

The accompanying unaudited condensed consolidated financial statements of the Company are comprised of the consolidation of Evercore LP and Evercore LP's wholly-owned and majority-owned direct and indirect subsidiaries, including Evercore Group L.L.C. ("EGL"), a registered broker-dealer in the U.S. The Company's policy is to consolidate all subsidiaries in which it has a controlling financial interest, as well as any variable interest entities ("VIEs") where the Company is deemed to be the primary beneficiary, when it has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE. The Company reviews factors, including the rights of the equity holders and obligations of equity holders to absorb losses or receive expected residual returns, to determine if the investment is a VIE. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company. The consolidation analysis is generally performed qualitatively. This analysis, which requires judgment, is performed at each reporting date.

Evercore LP is a VIE and the Company is the primary beneficiary. Specifically, the Company has the majority economic interest in Evercore LP and has decision making authority that significantly affects the economic performance of the entity while the limited partners have no kick-out or substantive participating rights. The assets and liabilities of Evercore LP represent substantially all of the consolidated assets and liabilities of the Company with the exception of U.S. corporate taxes and related items, which are presented on the Company's (Parent Company Only) Condensed Statements of Financial Condition in Note 25 to the Company's consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Evercore ISI International Limited ("Evercore ISI U.K."), Evercore Partners International LLP ("Evercore U.K."), Evercore (Japan) Ltd. ("Evercore Japan"), Evercore Consulting (Beijing) Co. Ltd. ("Evercore Beijing") and Evercore Partners Canada Ltd. ("Evercore Canada") are also VIEs, and the Company is the primary beneficiary of these VIEs. Specifically for Evercore ISI U.K., Evercore Japan, Evercore Beijing and Evercore Canada (as of January 1, 2020 for Evercore Canada), the Company provides financial support through transfer pricing agreements with these entities, which exposes the Company to losses that are potentially significant to these entities, and has decision making authority that significantly affects the economic performance of these entities. The Company has the majority economic interest in Evercore U.K. and has decision making authority that significantly affects the economic performance of this entity. The Company included in its Unaudited Condensed Consolidated Statements of Financial Condition Evercore ISI U.K., Evercore U.K., Evercore Japan, Evercore Beijing and Evercore Canada assets of $391,680 and liabilities of $147,305 at June 30, 2021 and assets of $377,878 and liabilities of $164,779 at December 31, 2020.

All intercompany balances and transactions with the Company's subsidiaries have been eliminated upon consolidation.

Reclassifications: During the three and six months ended June 30, 2021, certain balances on the Unaudited Condensed Consolidated Statements of Operations in the prior periods were reclassified to conform to their current presentation.

Commissions and Related Revenue – The Company renamed "Commissions and Related Fees" to "Commissions and Related Revenue" on the Unaudited Condensed Consolidated Statements of Operations and reclassified $215 and $400 of principal trading gains and losses from the Company's institutional equities business from "Other Revenue, Including Interest and Investments" to "Commissions and Related Revenue" for the three and six months ended June 30, 2020, respectively.

The prior period reclassifications from "Other Revenue, Including Interest and Investments" to "Commissions and Related Revenue" are as follows: for the three months ended March 31, 2020: $185; for the three months ended June 30, 2020: $215; for the three months ended September 30, 2020: $150; for the three months ended December 31, 2020: $375; for the three months ended March 31, 2019: ($2); for the three months ended June 30, 2019: $25; for the three months ended September 30, 2019: $320; for the three months ended December 31, 2019: $249.

Note 3 – Recent Accounting Pronouncements

ASU 2019-12 **–** In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU No. 2019-12, *"Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes"* ("ASU 2019-12"). ASU 2019-12 provides amendments to ASC 740, *"Income Taxes"* ("ASC 740") which simplify the accounting for income taxes by removing certain exceptions in ASC 740 and clarify and amend certain existing guidance. The amendments in this update are effective during interim and annual periods beginning after December 15, 2020, with early adoption permitted. The amendments on separate financial statements of legal entities that are not subject to tax should be applied on a retrospective basis for all periods presented, amendments on ownership changes of foreign equity method investments or foreign subsidiaries should be applied on a modified retrospective basis, with a cumulative-effect adjustment recorded through retained earnings as of the beginning of the period of adoption, and all other amendments should be applied prospectively. The Company adopted ASU 2019-12 on January 1, 2021. The adoption of ASU 2019-12 did not have a material impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2020-01 **–** In January 2020, the FASB issued ASU No. 2020-01, *"Clarifying the Interactions Between Topic 321, 323, and Topic 815"* ("ASU 2020-01"). ASU 2020-01 provides amendments to clarify the accounting for certain equity securities when the equity method of accounting is applied or discontinued and scope considerations related to forward contracts and purchased options on certain securities. The amendments in this update are effective during interim and annual periods beginning after December 15, 2020, with early adoption permitted. The Company adopted ASU 2020-01 on January 1, 2021. The adoption of ASU 2020-01 did not have a material impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

(amounts in thousands, except per share amounts, unless otherwise noted)

ASU 2020-06 – In August 2020, the FASB issued ASU No. 2020-06, *"Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"* ("ASU 2020-06"). ASU 2020-06 provides amendments to reduce the number of models used to account for convertible instruments and to simplify the accounting for contracts in an entity's own equity. ASU 2020-06 also provides amendments to diluted earnings per share calculations, which require entities to use the if-converted method for convertible instruments and to include the effect of potential share settlement from instruments that may be settled in cash or in shares. The amendments in this update are effective during interim and annual periods beginning after December 15, 2021, with early adoption permitted. The amendments should be applied using a modified or full retrospective transition method. The Company is currently assessing the impact of this update on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

Note 4 – Revenue and Accounts Receivable

The following table presents revenue recognized by the Company for the three and six months ended June 30, 2021 and 2020:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Investment Banking:				
Advisory Fees	$ 560,814	$ 336,436	$ 1,072,732	$ 695,000
Underwriting Fees	48,048	93,565	127,305	114,683
Commissions and Related Revenue	50,725	54,334	104,251	109,900
Total Investment Banking	$ 659,587	$ 484,335	$ 1,304,288	$ 919,583
Investment Management:				
Asset Management and Administration Fees:				
Wealth Management	$ 16,183	$ 12,632	$ 31,132	$ 24,960
Institutional Asset Management	—	321	—	740
Total Investment Management	$ 16,183	$ 12,953	$ 31,132	$ 25,700

Contract Balances

The change in the Company’s contract assets and liabilities during the following periods primarily reflects timing differences between the Company’s performance and the client’s payment. The Company’s receivables, contract assets and deferred revenue (contract liabilities) for the six months ended June 30, 2021 and 2020 are as follows:

(amounts in thousands, except per share amounts, unless otherwise noted)

	For the Six Months Ended June 30, 2021					
	Receivables (Current)(1)	Receivables (Long-term)(2)	Contract Assets (Current)(3)	Contract Assets (Long-term)(2)	Deferred Revenue (Current Contract Liabilities)(4)	Deferred Revenue (Long-term Contract Liabilities)(5)
Balance at January 1, 2021	$ 368,346	$ 70,975	$ 29,327	$ 5,283	$ 9,373	$ 147
Increase (Decrease)	(39,803)	5,011	25,438	1,380	2,280	—
Balance at June 30, 2021	$ 328,543	$ 75,986	$ 54,765	$ 6,663	$ 11,653	$ 147

	For the Six Months Ended June 30, 2020					
	Receivables (Current)(1)	Receivables (Long-term)(2)	Contract Assets (Current)(3)	Contract Assets (Long-term)(2)	Deferred Revenue (Current Contract Liabilities)(4)	Deferred Revenue (Long-term Contract Liabilities)(5)
Balance at January 1, 2020	$ 296,355	$ 63,554	$ 31,525	$ 2,504	$ 2,492	$ 615
Increase (Decrease)	13,853	(1,613)	(24,756)	3,376	9,553	(234)
Balance at June 30, 2020	$ 310,208	$ 61,941	$ 6,769	$ 5,880	$ 12,045	$ 381

(1) Included in Accounts Receivable on the Unaudited Condensed Consolidated Statements of Financial Condition.
(2) Included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(3) Included in Other Current Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(4) Included in Other Current Liabilities on the Unaudited Condensed Consolidated Statements of Financial Condition.
(5) Included in Other Long-term Liabilities on the Unaudited Condensed Consolidated Statements of Financial Condition.

The Company's contract assets represent arrangements in which an estimate of variable consideration has been included in the transaction price and thereby recognized as revenue that precedes the contractual due date. Under ASC 606, *"Revenue from Contracts with Customers"* ("ASC 606"), revenue is recognized when all material conditions for completion have been met and it is probable that a significant revenue reversal will not occur in a future period.

The Company recognized revenue of $5,609 and $8,076 on the Unaudited Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2021, respectively, and $3,862 and $5,891 for the three and six months ended June 30, 2020, respectively, that was initially included in deferred revenue within Other Current Liabilities on the Company’s Unaudited Condensed Consolidated Statements of Financial Condition.

Generally, performance obligations under client arrangements will be settled within one year; therefore, the Company has elected to apply the practical expedient in ASC 606-10-50-14.

The allowance for credit losses for the three and six months ended June 30, 2021 and 2020 is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Beginning Balance(1)	$ 2,017	$ 6,895	$ 5,372	$ 9,191
Bad debt expense, net of reversals	(28)	4,857	(1,766)	5,331
Write-offs, foreign currency translation and other adjustments	154	(627)	(1,463)	(3,397)
Ending Balance	$ 2,143	$ 11,125	$ 2,143	$ 11,125

(1) Beginning Balance for the six months ended June 30, 2020 includes the cumulative-effect adjustment of $1,310, which reflects the increase in the Company's Allowance for Doubtful Accounts as a result of the use of the current expected credit loss model related to the adoption of ASU 2016-13 on January 1, 2020.

The change in the balance during the three and six months ended June 30, 2021 is primarily related to a decrease in the current period provision of expected credit losses, which is principally impacted by recoveries of bad debt, as well as the change in the amount of receivables outstanding greater than 120 days at June 30, 2021, and the write-off of aged receivables.

(amounts in thousands, except per share amounts, unless otherwise noted)

For long-term accounts receivable and long-term contract assets, the Company monitors clients' creditworthiness based on collection experience and other internal metrics. The following table presents the Company's long-term accounts receivable and long-term contract assets from the Company's private and secondary fund advisory businesses as of June 30, 2021, by year of origination:

	Amortized Cost Basis by Origination Year					
	2021	2020	2019	2018	2017	Total
Long-term Accounts Receivable and Long-Term Contract Assets	$ 29,457	$ 38,695	$ 10,426	$ 3,805	$ 266	$ 82,649

Note 5 – Special Charges, Including Business Realignment Costs, and Intangible Asset Amortization

Special Charges, Including Business Realignment Costs

The Company recognized $8,558 and $32,234 for the three and six months ended June 30, 2020, respectively, as Special Charges, Including Business Realignment Costs. For the three and six months ended June 30, 2020, these costs included $8,178 and $30,305, respectively, for separation and transition benefits and related costs as a result of the Company's review of its operations, described below, and $380 and $1,929, respectively, related to the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of the Company's headquarters in New York and the Company's business realignment initiatives.

In 2020, the Company completed a review of its operations focused on markets, sectors and people which delivered lower levels of productivity in an effort to attain greater flexibility of operations and better position itself for future growth. This review generated reductions of 8% of the Company's headcount. See Note 15 for further information.

Intangible Asset Amortization

Expense associated with the amortization of intangible assets for Investment Management was $91 and $182 for the three and six months ended June 30, 2021, respectively, and $105 and $213 for the three and six months ended June 30, 2020, respectively, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations. Expense associated with the amortization of intangible assets for Investment Banking was $507 and $1,014 for the three and six months ended June 30, 2020, respectively, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations.

Note 6 – Related Parties

Investment Banking Revenue includes advisory fees earned from clients that have Senior Managing Directors and certain Senior Advisors and executives as a member of their Board of Directors of $16,052 and $23,087 for the three and six months ended June 30, 2021, respectively, and $8,769 for the three and six months ended June 30, 2020.

Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition includes the long-term portion of loans receivable from certain employees of $7,429 and $10,159 as of June 30, 2021 and December 31, 2020, respectively. See Note 15 for further information.

Note 7 – Investment Securities and Certificates of Deposit

The Company's Investment Securities and Certificates of Deposit as of June 30, 2021 and December 31, 2020 were as follows:

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, except per share amounts, unless otherwise noted)

	June 30, 2021				December 31, 2020			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt Securities	$ 278,979	$ 5	$ —	$ 278,984	$ 402,824	$ 39	$ —	$ 402,863
Equity Securities	2,621	1,786	—	4,407	666	—	73	593
Debt Securities Carried by Broker-Dealers	519,874	14	—	519,888	550,002	27	3	550,026
Investment Funds	110,329	26,798	—	137,127	87,612	19,742	—	107,354
Total Investment Securities (carried at fair value)	$ 911,803	$ 28,603	$ —	$ 940,406	$ 1,041,104	$ 19,808	$ 76	$ 1,060,836
Certificates of Deposit (carried at contract value)				122,510				—
Total Investment Securities and Certificates of Deposit				$ 1,062,916				$ 1,060,836

Scheduled maturities of the Company's available-for-sale debt securities as of June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021		December 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ 278,979	$ 278,984	$ 402,824	$ 402,863
Total	$ 278,979	$ 278,984	$ 402,824	$ 402,863

The Company has the ability and intent to hold available-for-sale securities until a recovery of fair value is equal to an amount approximating its amortized cost, which may be at maturity. Further, the securities are all U.S. Treasuries, and the Company has not incurred credit losses on its securities. As such, the Company does not consider these securities to be impaired at June 30, 2021 and has not recorded a credit allowance on these securities.

Debt Securities

Debt Securities are classified as available-for-sale securities within Investment Securities and Certificates of Deposit on the Unaudited Condensed Consolidated Statements of Financial Condition. These securities are stated at fair value with unrealized gains and losses included in Accumulated Other Comprehensive Income (Loss) and realized gains and losses included in earnings. The Company had net realized gains (losses) of ($11) for the six months ended June 30, 2021 and $77 and $73 for the three and six months ended June 30, 2020, respectively.

Equity Securities

Equity Securities are carried at fair value with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized and unrealized gains (losses) of ($267) and $1,860 for the three and six months ended June 30, 2021, respectively, and $88 and ($246) for the three and six months ended June 30, 2020, respectively.

Debt Securities Carried by Broker-Dealers

EGL and other broker-dealer subsidiaries invest in fixed income portfolios consisting primarily of U.S. Treasury bills, municipal bonds and other debt securities. At June 30, 2021 and December 31, 2020, this portfolio consisted solely of U.S. Treasury bills. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations, as required for broker-dealers in securities. The Company had net realized and unrealized losses of ($4) and ($9) for the three and six months ended June 30, 2021, respectively, and ($1,111) and ($1,240) for the three and six months ended June 30, 2020, respectively.

Included in Investment Securities above at December 31, 2020, are $99,983 of U.S. Treasury bills purchased on December 31, 2020, which did not settle until January 4, 2021. As of December 31, 2020, the Company had a payable to the broker for securities purchased of $99,983 recorded in Other Current Liabilities on the Unaudited Condensed Consolidated Statement of Financial Condition.

(amounts in thousands, except per share amounts, unless otherwise noted)

Investment Funds

The Company invests in a portfolio of exchange-traded funds as an economic hedge against its deferred cash compensation program. See Note 15 for further information. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized and unrealized gains (losses) of $9,774 and $16,002 for the three and six months ended June 30, 2021, respectively, and $10,284 and ($2,790) for the three and six months ended June 30, 2020, respectively.

The Company periodically enters into futures contracts as an economic hedge against its deferred cash compensation program. See Note 16 for further information.

Certificates of Deposit

At June 30, 2021, the Company held certificates of deposit of $122,510 with certain banks with original maturities of four months or less when purchased.

Note 8 – Investments

The Company's investments reported on the Unaudited Condensed Consolidated Statements of Financial Condition consist of investments in unconsolidated affiliated companies, other investments in private equity partnerships, equity securities in private companies and investments in G5 Holdings S.A. ("G5"), Glisco Manager Holdings LP and Trilantic Capital Partners ("Trilantic"). The Company's investments are relatively high-risk and illiquid assets.

The Company's investments in ABS Investment Management Holdings, LP and ABS Investment Management GP LLC (collectively, "ABS"), Atalanta Sosnoff Capital, LLC ("Atalanta Sosnoff") and Luminis Partners ("Luminis") are in voting interest entities. The Company's share of earnings (losses) from these investments is included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

The Company also has investments in private equity partnerships which consist of investment interests in private equity funds which are voting interest entities. Realized and unrealized gains and losses on private equity investments are included within Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations.

Equity Method Investments

A summary of the Company's investments accounted for under the equity method of accounting as of June 30, 2021 and December 31, 2020 was as follows:

	June 30, 2021	December 31, 2020
ABS	$ 36,874	$ 41,439
Atalanta Sosnoff	11,631	11,950
Luminis	5,856	6,119
Total	$ 54,361	$ 59,508

ABS

On December 29, 2011, the Company made an investment accounted for under the equity method of accounting in ABS Investment Management, LLC. Effective as of September 1, 2018, ABS Investment Management, LLC underwent an internal reorganization pursuant to which the Company contributed its ownership interest in ABS Investment Management, LLC to ABS in exchange for ownership interests in ABS Investment Management Holdings LP and ABS Investment Management GP LLC. Taken together, the ownership interests in ABS Investment Management Holdings LP and ABS Investment Management GP LLC are substantially equivalent to the contributed ownership interests in ABS Investment Management, LLC. At June 30, 2021, the Company's ownership interest in ABS was 46%. This investment resulted in earnings of $2,295 and $4,490 for the three and six months ended June 30, 2021, respectively, and $1,803 and $3,823 for the three and six months ended June 30, 2020, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Atalanta Sosnoff

On December 31, 2015, the Company amended the Operating Agreement with Atalanta Sosnoff and deconsolidated its assets and liabilities, accounting for its interest under the equity method of accounting from that date forward. At June 30, 2021, the Company's economic ownership interest in Atalanta Sosnoff was 49%. This investment resulted in earnings of $550 and $1,210 for the three and six months ended June 30, 2021, respectively, and $445 and $1,017 for the three and six months ended June 30, 2020, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Luminis

On January 1, 2017, the Company acquired an interest in Luminis and accounted for its interest under the equity method of accounting. At June 30, 2021, the Company's ownership interest in Luminis was 20%. This investment resulted in earnings of $549 and $718 for the three and six months ended June 30, 2021, respectively, and $65 and $601 for the three and six months ended June 30, 2020, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Seneca Evercore

In July 2021, the Company acquired a 20% interest in Seneca Advisors LTDA ("Seneca Evercore") for $500 and will maintain proportional representation on the board of directors of Seneca Evercore (but not less than one director) following this transaction. The Company will account for its interest under the equity method of accounting.

Other

The Company allocates the purchase price of its equity method investments, in part, to the inherent finite-lived identifiable intangible assets of the investees. The Company's share of the earnings of the investees has been reduced by the amortization of these identifiable intangible assets of $79 and $158 for the three and six months ended June 30, 2021 and 2020, respectively.

The Company assesses its equity method investments for impairment annually, or more frequently if circumstances indicate impairment may have occurred.

Debt Security Investment

On December 31, 2017, the Company exchanged all of its outstanding equity interests in G5 for debentures of G5. The Company previously recorded its investment in G5 as a held-to-maturity debt security within Investments on the Unaudited Condensed Consolidated Statement of Financial Condition. These securities were mandatorily redeemable on December 31, 2027, or earlier, subject to the occurrence of certain events. The Company was accreting its investment to its redemption value ratably, or on an accelerated basis if certain revenue thresholds were met by G5, from December 31, 2017 to December 31, 2027. This investment was subject to currency translation from Brazilian real to the U.S. dollar, included in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. This investment had a balance of $7,385 as of December 31, 2020.

On June 25, 2021, G5 repaid its outstanding debentures with the Company in full, resulting in a gain of $4,374, included in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2021.

Investments in Private Equity

Private Equity Funds

The Company's investments related to private equity partnerships and associated entities include investments in Glisco Partners II, L.P. ("Glisco II"), Glisco Partners III, L.P. ("Glisco III"), Glisco Capital Partners IV ("Glisco IV"), Trilantic Capital Partners Associates IV, L.P. ("Trilantic IV"), Trilantic Capital Partners V, L.P. ("Trilantic V") and Trilantic Capital Partners VI (North America), L.P. ("Trilantic VI"). Portfolio holdings of the private equity funds are carried at fair value. Accordingly, the

(amounts in thousands, except per share amounts, unless otherwise noted)

Company reflects its pro rata share of unrealized gains and losses occurring from changes in fair value. Additionally, the Company reflects its pro rata share of realized gains, losses and carried interest associated with any investment realizations.

A summary of the Company's investments in the private equity funds as of June 30, 2021 and December 31, 2020 was as follows:

	June 30, 2021	December 31, 2020
Glisco II, Glisco III and Glisco IV	$ 3,504	$ 2,802
Trilantic IV, Trilantic V and Trilantic VI	11,769	9,293
Total Private Equity Funds	$ 15,273	$ 12,095

Net realized and unrealized gains (losses) on private equity fund investments were ($17) and $22 for the three and six months ended June 30, 2021, respectively, and ($2,255) and ($2,343) for the three and six months ended June 30, 2020, respectively. In the event the funds perform poorly, the Company may be obligated to repay certain carried interest previously distributed. As of June 30, 2021, $761 of previously distributed carried interest received from the funds was subject to repayment.

General Partners of Private Equity Funds which are VIEs

Following the Glisco transaction, the Company concluded that Glisco Capital Partners II, Glisco Capital Partners III and Glisco Manager Holdings LP are VIEs and that the Company is not the primary beneficiary of these VIEs. The Company's assessment of the primary beneficiary of these entities included assessing which parties have the power to significantly impact the economic performance of these entities and the obligation to absorb losses, which could be potentially significant to the entities, or the right to receive benefits from the entities that could be potentially significant. Neither the Company nor its related parties will have the ability to make decisions that significantly impact the economic performance of these entities. Further, as a limited partner in these entities, the Company does not possess substantive participating rights. The Company had assets of $3,560 and $3,083 included in its Unaudited Condensed Consolidated Statements of Financial Condition at June 30, 2021 and December 31, 2020, respectively, related to these unconsolidated VIEs, representing the carrying value of the Company's investments in the entities. The Company's exposure to the obligations of these VIEs is generally limited to its investments in these entities. The Company's maximum exposure to loss as of June 30, 2021 and December 31, 2020 was $5,995 and $5,572, respectively, which represents the carrying value of the Company's investments in these VIEs, as well as any unfunded commitments to the current and future funds.

Investment in Trilantic Capital Partners

In 2010, the Company made a limited partnership investment in Trilantic in exchange for 500 Class A partnership units of Evercore LP ("Class A LP Units") having a fair value of $16,090. This investment gave the Company the right to invest in Trilantic's current and future private equity funds, beginning with Trilantic Fund IV. The Company accounts for this investment at its cost minus impairment, if any, plus or minus changes resulting from observable price changes. The Company allocates the cost of this investment to its investments in current and future Trilantic funds as the Company satisfies the capital calls of these funds. The Company bases this allocation on its expectation of Trilantic's future fundraising ability and performance. During the six months ended June 30, 2021, $5 and $1,325 of this investment was allocated to Trilantic Fund V and VI, respectively. From 2010 to 2020, $1,178, $5,164 and $3,125 of this investment was allocated to Trilantic Fund IV, V and VI, respectively. This investment had a balance of $5,293 and $6,623 as of June 30, 2021 and December 31, 2020, respectively. The Company has a $5,000 commitment to invest in Trilantic Fund V, of which $367 was unfunded at June 30, 2021. The Company also has a $12,000 commitment to invest in Trilantic Fund VI, of which $7,229 was unfunded at June 30, 2021.

Other Investments

In certain instances, the Company receives equity securities in private companies in exchange for advisory services. These investments, which had a balance of $691 and $683 as of June 30, 2021 and December 31, 2020, respectively, are accounted for at their cost minus impairment, if any, plus or minus changes resulting from observable price changes.

Following the Glisco transaction in 2016, the Company recorded an investment in Glisco Manager Holdings LP representing the fair value of the deferred consideration resulting from this transaction. This investment is accounted for at its cost minus impairment, if any, plus or minus changes resulting from observable price changes. The Company amortizes the balance of its investment as distributions are received related to the deferred consideration. This investment had a balance of $221 and $387 as of June 30, 2021 and December 31, 2020, respectively.

(amounts in thousands, except per share amounts, unless otherwise noted)

Note 9 – Leases

Operating Leases – The Company leases office space under non-cancelable lease agreements, which expire on various dates through 2035. The lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. The Company reflects lease expense over the lease terms on a straight-line basis. Occupancy lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. The Company does not have any leases with variable lease payments. Occupancy and Equipment Rental on the Unaudited Condensed Consolidated Statements of Operations includes operating lease cost for office space of $12,334 and $24,500 for the three and six months ended June 30, 2021, respectively, and $12,108 and $24,024 for the three and six months ended June 30, 2020, respectively, and variable lease cost of $1,766 and $3,618 for the three and six months ended June 30, 2021, respectively, and $1,132 and $2,855 for the three and six months ended June 30, 2020, respectively.

On June 10, 2021, the Company entered into lease agreements to take on an additional 14 rentable square feet at its 1 Stanhope Gate office in London, U.K. The approximate additional annual expense under this lease agreement, net of certain lease incentives, is £1,081 and the lease term is June 10, 2021 through March 24, 2027.

In conjunction with the lease of office space, the Company has entered into letters of credit in the amounts of $5,616 and $5,550 as of June 30, 2021 and December 31, 2020, respectively, which are secured by cash that is included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.

The Company has entered into various operating leases for the use of office equipment (primarily computers, printers, copiers and other information technology related equipment). Occupancy and Equipment Rental on the Unaudited Condensed Consolidated Statements of Operations includes operating lease cost for office equipment of $1,144 and $2,651 for the three and six months ended June 30, 2021, respectively, and $1,132 and $2,328 for the three and six months ended June 30, 2020, respectively.

The Company uses its secured incremental borrowing rate to determine the present value of its right-of-use assets and lease liabilities. The determination of an appropriate incremental borrowing rate requires significant assumptions and judgment. The Company's incremental borrowing rate was calculated based on the Company's recent debt issuances and current market conditions. The Company scales the rates appropriately depending on the life of the leases.

The Company incurred net operating cash outflows of $22,893 and $11,763 for the six months ended June 30, 2021 and 2020, respectively, related to its operating leases, which was net of cash received from lease incentives of $4,144 and $8,796 for the six months ended June 30, 2021 and 2020, respectively.

Other information as it relates to the Company's operating leases is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
New Right-of-Use Assets obtained in exchange for new operating lease liabilities	$ 12,327	$ 7,632	$ 14,211	$ 88,765

	June 30, 2021	June 30, 2020
Weighted-average remaining lease term - operating leases	11.2 years	11.8 years
Weighted-average discount rate - operating leases	4.02 %	4.25 %

As of June 30, 2021, the maturities of the undiscounted operating lease liabilities for which the Company has commenced use are as follows:

(amounts in thousands, except per share amounts, unless otherwise noted)

2021 (July 1 through December 31)	$	27,821
2022		55,123
2023		40,000
2024		32,509
2025		34,989
Thereafter		250,622
Total lease payments		441,064
Less: Tenant Improvement Allowances		(11,360)
Less: Imputed Interest		(88,421)
Present value of lease liabilities		341,283
Less: Current lease liabilities		(44,223)
Long-term lease liabilities	$	297,060

In conjunction with the lease agreement to expand its headquarters at 55 East 52nd St., New York, New York, and lease agreements at certain other locations, the Company entered into leases for office space which have not yet commenced and thus are not yet included on the Company's Unaudited Condensed Consolidated Statements of Financial Condition as right-of-use assets and lease liabilities. The Company anticipates that it will take possession of these spaces by the end of 2023. These spaces will have lease terms of 3 to 13 years once the Company has taken possession. The additional future payments under these arrangements are $198,704 as of June 30, 2021.

Note 10 – Fair Value Measurements

ASC 820, *"Fair Value Measurements and Disclosures"* ("ASC 820") establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily-available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 include listed equities, listed derivatives and treasury bills. As required by ASC 820, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The estimated fair values of corporate bonds, municipal bonds and other debt securities held at June 30, 2021 and December 31, 2020 are based on prices provided by external pricing services.

Level 3 – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The following table presents the categorization of investments and certain other financial assets measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020:

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, except per share amounts, unless otherwise noted)

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Debt Securities Carried by Broker-Dealers	$ 519,888	$ —	$ —	$ 519,888
Other Debt and Equity Securities(1)	289,291	—	—	289,291
Investment Funds	137,127	—	—	137,127
Total Assets Measured At Fair Value	$ 946,306	$ —	$ —	$ 946,306

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Debt Securities Carried by Broker-Dealers	$ 550,026	$ —	$ —	$ 550,026
Other Debt and Equity Securities(1)	410,456	—	—	410,456
Investment Funds	107,354	—	—	107,354
Total Assets Measured At Fair Value	$ 1,067,836	$ —	$ —	$ 1,067,836

(1) Includes $5,900 and $7,000 of treasury bills and notes classified within Cash and Cash Equivalents on the Unaudited Condensed Consolidated Statements of Financial Condition as of June 30, 2021 and December 31, 2020, respectively.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The carrying amount and estimated fair value of the Company's financial instrument assets and liabilities, which are not measured at fair value on the Unaudited Condensed Consolidated Statements of Financial Condition, are listed in the tables below.

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, except per share amounts, unless otherwise noted)

	Carrying Amount	June 30, 2021 Estimated Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and Cash Equivalents	$ 436,287	$ 436,287	$ —	$ —	$ 436,287
Certificates of Deposit	122,510	—	122,510	—	122,510
Receivables[(1)]	404,529	—	401,141	—	401,141
Contract Assets[(2)]	61,428	—	60,799	—	60,799
Receivable from Employees and Related Parties	19,043	—	19,043	—	19,043
Closely-held Equity Securities	691	—	—	691	691
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$ 43,776	$ —	$ 43,776	$ —	$ 43,776
Payable to Employees and Related Parties	48,097	—	48,097	—	48,097
Notes Payable	376,778	—	396,393	—	396,393

	Carrying Amount	December 31, 2020 Estimated Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and Cash Equivalents	$ 822,598	$ 822,598	$ —	$ —	$ 822,598
Debt Security Investment	7,385	—	—	7,385	7,385
Receivables[(1)]	439,321	—	434,083	—	434,083
Contract Assets[(2)]	34,610	—	34,052	—	34,052
Receivable from Employees and Related Parties	23,593	—	23,593	—	23,593
Closely-held Equity Securities	683	—	—	683	683
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$ 37,961	$ —	$ 37,961	$ —	$ 37,961
Payable to Employees and Related Parties	24,047	—	24,047	—	24,047
Notes Payable[(3)]	376,492	—	409,682	—	409,682

(1) Includes Accounts Receivable, as well as long-term receivables, which are included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(2) Includes current and long-term contract assets included in Other Current Assets and Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(3) Includes current and long-term Notes Payable included in Current Portion of Notes Payable and Notes Payable on the Unaudited Condensed Consolidated Statements of Financial Condition.

Note 11 – Notes Payable

On March 30, 2016, the Company issued an aggregate of $170,000 of senior notes, including: $38,000 aggregate principal amount of its 4.88% Series A senior notes which were due March 30, 2021 (the "Series A Notes"), $67,000 aggregate principal amount of its 5.23% Series B senior notes due March 30, 2023 (the "Series B Notes"), $48,000 aggregate principal amount of its 5.48% Series C senior notes due March 30, 2026 (the "Series C Notes") and $17,000 aggregate principal amount of its 5.58% Series D senior notes due March 30, 2028 (the "Series D Notes" and together with the Series A Notes, the Series B Notes and the Series C Notes, the "2016 Private Placement Notes"), pursuant to a note purchase agreement (the "2016 Note Purchase Agreement") dated as of March 30, 2016, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

In March 2021, the Company repaid the $38,000 aggregate principal amount of its Series A Notes.

Interest on the 2016 Private Placement Notes is payable semi-annually and the 2016 Private Placement Notes are guaranteed by certain of the Company's domestic subsidiaries. The Company may, at its option, prepay all, or from time to time any part of, the 2016 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2016 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2016 Private Placement Notes will have the right to require the Company to prepay the entire unpaid principal amounts held by each holder of the 2016 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2016 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio, a minimum tangible net worth and a minimum interest coverage ratio, and customary events of default. As of June 30, 2021, the Company was in compliance with all of these covenants.

On August 1, 2019, the Company issued $175,000 and £25,000 of senior unsecured notes through private placement. These notes reflect a weighted average life of 12 years and a weighted average stated interest rate of 4.26%. These notes include: $75,000 aggregate principal amount of its 4.34% Series E senior notes due August 1, 2029 (the "Series E Notes"), $60,000 aggregate principal amount of its 4.44% Series F senior notes due August 1, 2031 (the "Series F Notes"), $40,000 aggregate principal amount of its 4.54% Series G senior notes due August 1, 2033 (the "Series G Notes") and £25,000 aggregate principal amount of its 3.33% Series H senior notes due August 1, 2033 (the "Series H Notes" and together with the Series E Notes, the Series F Notes and the Series G Notes, the "2019 Private Placement Notes"), each of which were issued pursuant to a note purchase agreement dated as of August 1, 2019 (the "2019 Note Purchase Agreement"), among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2019 Private Placement Notes is payable semi-annually and the 2019 Private Placement Notes are guaranteed by certain of the Company's domestic subsidiaries. The Company may, at its option, prepay all, or from time to time any part of, the 2019 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2019 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2019 Private Placement Notes will have the right to require the Company to prepay the entire unpaid principal amounts held by each holder of the 2019 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2019 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default. As of June 30, 2021, the Company was in compliance with all of these covenants.

On March 29, 2021, the Company issued an aggregate of $38,000 of senior notes, comprised of $38,000 aggregate principal amount of its 1.97% Series I senior notes due August 1, 2025 (the "Series I Notes" or the "2021 Private Placement Notes"), pursuant to a note purchase agreement (the "2021 Note Purchase Agreement") dated as of March 29, 2021, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2021 Private Placement Notes is payable semi-annually and the 2021 Private Placement Notes are guaranteed by certain of the Company's domestic subsidiaries. The Company may, at its option, prepay all, or from time to time any part of, the 2021 Private Placement Notes, in an amount not less than 5% of the aggregate principal amount of the 2021 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2021 Private Placement Notes will have the right to require the Company to prepay the entire unpaid principal amounts held by each holder of the 2021 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2021 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default. As of June 30, 2021, the Company was in compliance with all of these covenants.

Notes Payable is comprised of the following as of June 30, 2021 and December 31, 2020:

(amounts in thousands, except per share amounts, unless otherwise noted)

Note	Maturity Date	Effective Annual Interest Rate	Carrying Value[a] June 30, 2021	Carrying Value[a] December 31, 2020
Evercore Inc. 4.88% Series A Senior Notes	3/30/2021	5.16 %	$ —	$ 37,974
Evercore Inc. 5.23% Series B Senior Notes	3/30/2023	5.44 %	66,765	66,702
Evercore Inc. 5.48% Series C Senior Notes	3/30/2026	5.64 %	47,680	47,651
Evercore Inc. 5.58% Series D Senior Notes	3/30/2028	5.72 %	16,866	16,858
Evercore Inc. 4.34% Series E Senior Notes	8/1/2029	4.46 %	74,376	74,325
Evercore Inc. 4.44% Series F Senior Notes	8/1/2031	4.55 %	59,481	59,449
Evercore Inc. 4.54% Series G Senior Notes	8/1/2033	4.64 %	39,645	39,627
Evercore Inc. 3.33% Series H Senior Notes	8/1/2033	3.42 %	34,300	33,906
Evercore Inc. 1.97% Series I Senior Notes	8/1/2025	2.20 %	37,665	—
Total			$ 376,778	$ 376,492
Less: Current Portion of Notes Payable			—	(37,974)
Notes Payable			$ 376,778	$ 338,518

(a) Carrying value has been adjusted to reflect the presentation of debt issuance costs as a direct reduction from the related liability.

Note 12 – Evercore Inc. Stockholders' Equity

Dividends – The Company's Board of Directors declared on July 27, 2021, a quarterly cash dividend of $0.68 per share, to the holders of record of shares of Class A common stock ("Class A Shares") as of August 27, 2021, which will be paid on September 10, 2021. During the three and six months ended June 30, 2021, the Company declared and paid dividends of $0.68 and $1.29 per share, respectively, totaling $27,534 and $52,928, respectively, and accrued deferred cash dividends on unvested restricted stock units ("RSUs"), totaling $3,685 and $7,096, respectively. The Company also paid deferred cash dividends of $191 and $12,211 during the three and six months ended June 30, 2021, respectively. During the three and six months ended June 30, 2020, the Company declared and paid dividends of $0.58 and $1.16 per share, respectively, totaling $23,176 and $46,762, respectively, and accrued deferred cash dividends on unvested RSUs, totaling $3,387 and $6,918, respectively. The Company also paid deferred cash dividends of $197 and $10,767 during the three and six months ended June 30, 2020, respectively.

Treasury Stock – During the three months ended June 30, 2021, the Company purchased 17 Class A Shares from employees at an average cost per share of $139.24, primarily for the net settlement of stock-based compensation awards, and 1,351 Class A Shares at an average cost per share of $138.85 pursuant to the Company's share repurchase program. The aggregate 1,368 Class A Shares were purchased at an average cost per share of $138.86, and the result of these purchases was an increase in Treasury Stock of $189,952 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

During the six months ended June 30, 2021, the Company purchased 934 Class A Shares from employees at an average cost per share of $117.02, primarily for the net settlement of stock-based compensation awards, and 2,374 Class A Shares at an average cost per share of $132.88 pursuant to the Company's share repurchase program. The aggregate 3,308 Class A Shares were purchased at an average cost per share of $128.40, and the result of these purchases was an increase in Treasury Stock of $424,806 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

LP Units – During the three and six months ended June 30, 2021, 21 and 141 Evercore LP partnership units ("LP Units"), respectively, were exchanged for Class A Shares, resulting in increases to Common Stock of $1 for the six months ended June 30, 2021, and Additional Paid-In-Capital of $1,033 and $6,746 for the three and six months ended June 30, 2021, respectively, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

Accumulated Other Comprehensive Income (Loss) – As of June 30, 2021, Accumulated Other Comprehensive Income (Loss) on the Company's Unaudited Condensed Consolidated Statement of Financial Condition includes an accumulated Unrealized Gain (Loss) on Securities and Investments, net, and Foreign Currency Translation Adjustment Gain (Loss), net, of ($4,861) and ($2,366), respectively.

(amounts in thousands, except per share amounts, unless otherwise noted)

Note 13 – Noncontrolling Interest

Noncontrolling Interest recorded in the unaudited condensed consolidated financial statements of the Company relates to the following approximate interests in certain consolidated subsidiaries, which are not owned by the Company. In circumstances where the governing documents of the entity to which the noncontrolling interest relates require special allocations of profits or losses to the controlling and noncontrolling interest holders, the net income or loss of these entities is allocated based on these special allocations.

	June 30,	
	2021	2020
Subsidiary:		
Evercore LP	11 %	11 %
Evercore Wealth Management ("EWM")(1)	25 %	22 %
Real Estate Capital Advisory ("RECA")(2)	38 %	38 %

(1) Noncontrolling Interests represent a blended rate for multiple classes of interests in EWM.
(2) Noncontrolling Interests represent the Class R Interests of Private Capital Advisory L.P.

The Noncontrolling Interests for Evercore LP, EWM and RECA have rights, in certain circumstances, to convert into Class A Shares.

Changes in Noncontrolling Interest for the three and six months ended June 30, 2021 and 2020 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Beginning balance	$ 265,089	$ 221,294	$ 258,428	$ 256,534
Comprehensive Income:				
Net Income Attributable to Noncontrolling Interest	23,570	10,816	44,769	18,521
Other Comprehensive Income (Loss)	169	142	403	(1,767)
Total Comprehensive Income	23,739	10,958	45,172	16,754
Evercore LP Units Exchanged for Class A Shares	(1,033)	(583)	(6,747)	(33,754)
Amortization and Vesting of LP Units	3,011	2,384	6,107	5,695
Other Items:				
Distributions to Noncontrolling Interests	(16,748)	(2,941)	(29,642)	(14,009)
Issuance of Noncontrolling Interest	238	510	1,345	540
Purchase of Noncontrolling Interest	—	—	(367)	(138)
Total Other Items	(16,510)	(2,431)	(28,664)	(13,607)
Ending balance	$ 274,296	$ 231,622	$ 274,296	$ 231,622

Other Comprehensive Income – Other Comprehensive Income (Loss) attributed to Noncontrolling Interest includes Unrealized Gain (Loss) on Securities and Investments, net, of $62 and $68 for the three and six months ended June 30, 2021, respectively, and ($110) and ($251) for the three and six months ended June 30, 2020, respectively, and Foreign Currency Translation Adjustment Gain (Loss), net, of $107 and $335 for the three and six months ended June 30, 2021, respectively, and $252 and ($1,516) for the three and six months ended June 30, 2020, respectively.

LP Units Exchanged – During the three and six months ended June 30, 2021, 21 and 141 LP Units, respectively, were exchanged for Class A Shares. This resulted in a decrease to Noncontrolling Interest of $1,033 and $6,747 for the three and six months ended June 30, 2021, respectively, and an increase to Additional-Paid-In-Capital of $1,033 and $6,746 for the three and six months ended June 30, 2021, respectively, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021. See Note 12 for further information.

Interests Issued – During the first quarter of 2021, certain employees of EWM purchased EWM Class A Units, at fair value, resulting in an increase to Noncontrolling Interest of $975 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

Interests Purchased – During the first quarter of 2021, the Company purchased, at fair value, an additional 1% of the EWM Class A Units for $3,170, which was settled in cash during the three months ended June 30, 2021. This purchase resulted in a decrease to Noncontrolling Interest of $344 and a decrease to Additional Paid-In-Capital of $2,826 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

During the first quarter of 2020, the Company purchased, at fair value, an additional 1% of the EWM Class A Units for $1,703 (which was paid in cash of $851 and $852 during the three months ended June 30, 2021 and 2020, respectively). This purchase resulted in a decrease to Noncontrolling Interest of $138 and a decrease to Additional Paid-In-Capital of $1,565 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2020.

Note 14 – Net Income Per Share Attributable to Evercore Inc. Common Shareholders

The calculations of basic and diluted net income per share attributable to Evercore Inc. common shareholders for the three and six months ended June 30, 2021 and 2020 are described and presented below.

(amounts in thousands, except per share amounts, unless otherwise noted)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Basic Net Income Per Share Attributable to Evercore Inc. Common Shareholders				
Numerator:				
Net income attributable to Evercore Inc. common shareholders	$ 140,359	$ 56,412	$ 284,711	$ 87,587
Denominator:				
Weighted average Class A Shares outstanding, including vested RSUs	40,667	40,635	41,010	40,313
Basic net income per share attributable to Evercore Inc. common shareholders	$ 3.45	$ 1.39	$ 6.94	$ 2.17
Diluted Net Income Per Share Attributable to Evercore Inc. Common Shareholders				
Numerator:				
Net income attributable to Evercore Inc. common shareholders	$ 140,359	$ 56,412	$ 284,711	$ 87,587
Noncontrolling interest related to the assumed exchange of LP Units for Class A Shares	(b)	(b)	(b)	(b)
Associated corporate taxes related to the assumed elimination of Noncontrolling Interest described above	(b)	(b)	(b)	(b)
Diluted net income attributable to Evercore Inc. common shareholders	$ 140,359	$ 56,412	$ 284,711	$ 87,587
Denominator:				
Weighted average Class A Shares outstanding, including vested RSUs	40,667	40,635	41,010	40,313
Assumed exchange of LP Units for Class A Shares(a)(b)	—	—	—	144
Additional shares of the Company's common stock assumed to be issued pursuant to non-vested RSUs and deferred consideration, as calculated using the Treasury Stock Method	2,514	859	2,563	1,248
Shares that are contingently issuable(c)	480	400	480	400
Diluted weighted average Class A Shares outstanding	43,661	41,894	44,053	42,105
Diluted net income per share attributable to Evercore Inc. common shareholders	$ 3.21	$ 1.35	$ 6.46	$ 2.08

(a) The Company previously had outstanding Class J limited partnership units of Evercore LP ("Class J LP Units"), which converted into Class E limited partnership units of Evercore LP ("Class E LP Units") and ultimately became exchangeable into Class A Shares on a one-for-one basis. As of June 30, 2021 and 2020, no Class J LP Units remained issued or outstanding. See Note 15 for further information. During the six months ended June 30, 2020, the Class J LP Units were dilutive and consequently the effect of their exchange into Class A Shares has been included in the calculation of diluted net income per share attributable to Evercore Inc. common shareholders under the if-converted method. In computing this adjustment, the Company assumes that all Class J LP Units are converted into Class A Shares.

(b) The Company has outstanding Class A and E LP Units, which give the holders the right to receive Class A Shares upon exchange on a one-for-one basis. During the three and six months ended June 30, 2021 and 2020, the Class A and E LP Units were antidilutive and consequently the effect of their exchange into Class A Shares has been excluded from the calculation of diluted net income per share attributable to Evercore Inc. common shareholders. The units that would have been included in the denominator of the computation of diluted net income per share attributable to Evercore Inc. common shareholders if the effect would have been dilutive were 4,848 and 4,887 for the three and six months ended June 30, 2021, respectively, and 5,076 and 5,207 for the three and six months ended June 30, 2020, respectively. The adjustment to the numerator, diluted net income attributable to Class A common shareholders, if the effect would have been dilutive, would have been $17,159 and $34,170 for the three and six months ended June 30, 2021, respectively, and $7,481 and $12,430 for the three and six months ended June 30, 2020, respectively. In computing this adjustment, the Company assumes that all vested Class A LP Units and all Class E LP Units are converted into Class A Shares, that all earnings attributable to those shares are attributed to Evercore Inc. and that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at prevailing corporate tax rates. The Company does not anticipate that the Class A and E LP Units will result in a dilutive computation in future periods.

(c) The Company has outstanding Class I-P units of Evercore LP ("Class I-P Units") which are contingently exchangeable into Class I limited partnership units of Evercore LP ("Class I LP Units"), and ultimately Class A Shares, and outstanding Class K-P units of Evercore LP ("Class K-P Units") which are contingently exchangeable into Class K limited partnership units of Evercore LP ("Class K LP Units"), and ultimately Class A Shares, as they are subject to certain performance thresholds being achieved. For the purposes of calculating diluted net income per share attributable to Evercore Inc. common shareholders, the Company's Class I-P Units and Class K-P Units are included in diluted weighted average Class A Shares outstanding as of the beginning of the period in which all necessary performance conditions have been satisfied. If all necessary performance conditions have not been satisfied by the end of the period, the number of shares that are included in diluted weighted average Class A Shares outstanding is based on the number of shares that would be issuable if the end of the reporting period were the end of the performance period. The Units that were assumed to be converted to an equal number of Class A Shares for purposes of computing diluted net income per share attributable to Evercore Inc. common shareholders were 480 for each of the three and six months ended June 30, 2021, and 400 for each of the three and six months ended June 30, 2020.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of the Company. The shares of Class B common stock do not share in the earnings of the Company and no earnings are allocable to such class. Accordingly, basic and diluted net income per share of Class B common stock have not been presented.

Note 15 – Share-Based and Other Deferred Compensation

LP Units

Equities business – In conjunction with the acquisition of the operating businesses of International Strategy & Investment ("ISI") in 2014, the Company issued Evercore LP units and interests which have been treated as compensation.

In July 2017, the Company exchanged all of the previously outstanding 4,148 Class H limited partnership interests of Evercore LP ("Class H LP Interests") for 1,012 vested (963 of which were subject to certain liquidated damages and continued employment provisions) and 938 unvested Class J LP Units. These units converted into an equal amount of Class E LP Units, and became exchangeable into Class A Shares of the Company, ratably on February 15, 2018, 2019 and 2020. These Class J LP Units had the same vesting and delivery schedule, acceleration and forfeiture triggers, and distribution rights as the Class H LP Interests. In connection with this exchange, one share of Class B common stock has been issued to each holder of Class J LP Units, which entitles each holder to one vote on all matters submitted generally to holders of Class A and Class B common stock for each Class E LP Unit and Class J LP Unit held. As the number of Class J LP Units exchanged was within the number of Class H LP Interests that the Company determined were probable of being exchanged on the date of modification, the Company expensed the previously unrecognized grant date fair value of the Class H LP Interests ratably over the remaining vesting period of the Class J LP Units. Compensation expense related to the Class J LP Units was $1,067 for the six months ended June 30, 2020.

On February 15, 2020, 223 Class J LP Units vested and were converted to an equal amount of Class E LP Units. Following the conversion, no Class J LP Units remain issued and outstanding.

Class I-P Units – In November 2016, the Company issued 400 Class I-P Units in conjunction with the appointment of a current Co-Chief Executive Officer (then Executive Chairman). These Class I-P Units convert into a specified number of Class I LP Units, which are exchangeable on a one-for-one basis to Class A Shares, contingent on the achievement of certain market and service conditions, subject to vesting upon specified termination events (including retirement, upon satisfying certain eligibility criteria, on or following January 15, 2022, subject to a one year prior written notice requirement) or a change in control. These Class I-P Units are segregated into two groups of 200 units each, with share price threshold vesting conditions which are required to exceed a certain level for 20 consecutive trading days (which were met as of March 31, 2017). The Company determined the fair value of the award to be $24,412 and is expensing the award ratably over the implied service period, which ends on March 1, 2022. As the award contains market-based conditions, the entire expense will be recognized if the award does not vest for any reason other than the service conditions. Compensation expense related to this award was $1,130 and $2,366 for the three and six months ended June 30, 2021, respectively, and $1,152 and $2,303 for the three and six months ended June 30, 2020, respectively.

Class K-P Units – In November 2017, the Company issued 64 Class K-P Units to an employee of the Company. These Class K-P Units convert into a specified number of Class K LP Units (which are exchangeable on a one-for-one basis to Class A Shares), contingent upon the achievement of certain defined benchmark results and continued service through December 31, 2021.

In June 2019, the Company issued 220 Class K-P Units to an employee of the Company. These Class K-P Units convert into a number of Class K LP Units (which are exchangeable on a one-for-one basis to Class A Shares), contingent and based upon the achievement of certain defined benchmark results and continued service through February 4, 2023 for the first tranche, which consists of 120 Class K-P Units, and February 4, 2028 for the second tranche, which consists of 100 Class K-P Units.

These Class K-P Units may convert into a maximum of 460 Class K LP Units, contingent upon the achievement of certain defined benchmarks and continued service, as described above. The Company determined the grant date fair value of these awards probable to vest as of June 30, 2021 to be $34,684, related to 403 Class K LP Units which were probable of achievement, and recognizes expense for these units over the respective service periods. Compensation expense related to the Class K-P Units was $1,881 and $3,741 for the three and six months ended June 30, 2021, respectively, and $1,233 and $2,326 for the three and six months ended June 30, 2020, respectively.

Class L Interests – In April 2021, the Company's Board of Directors approved the issuance of Class L Interests in Evercore LP ("Class L Interests") to named executive officers of the Company, pursuant to which the named executive officers may receive a discretionary distribution of profits from Evercore LP, to be paid in the first quarter of 2022. Distributions pursuant to these interests are anticipated to be made in lieu of any cash incentive compensation payments which may otherwise have been made to the named executive officers of the Company in respect of their service for 2021. The Company records expense related to these interests as part of its accrual for incentive compensation within Employee Compensation and Benefits on the Unaudited Condensed Consolidated Statements of Operations.

Stock Incentive Plan

During 2020, the Company's stockholders approved the Amended and Restated 2016 Evercore Inc. Stock Incentive Plan (the "Amended 2016 Plan"), which amended the prior Amended and Restated 2016 Evercore Inc. Stock Incentive Plan. The Amended 2016 Plan, among other things, authorizes an additional 6,000 shares of the Company's Class A Shares. The Amended 2016 Plan permits the Company to grant to certain employees, directors and consultants incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, RSUs and other awards based on the Company's Class A Shares. The Company intends to use newly-issued Class A Shares to satisfy any awards under the Amended 2016 Plan and its predecessor plan. Class A Shares underlying any award granted under the Amended 2016 Plan that expire, terminate or are canceled or satisfied for any reason without being settled in stock again become available for awards under the plan. The total shares available to be granted in the future under the Amended 2016 Plan was 5,124 as of June 30, 2021.

The Company also grants, at its discretion, dividend equivalents, in the form of unvested RSU awards, or deferred cash dividends, concurrently with the payment of dividends to the holders of Class A Shares, on all unvested RSU grants awarded in conjunction with annual bonuses, as well as new hire awards. The dividend equivalents have the same vesting and delivery terms as the underlying RSU award.

The Company estimates forfeitures in the aggregate compensation cost to be amortized over the requisite service period of its awards. The Company periodically monitors its estimated forfeiture rate and adjusts its assumptions to the actual occurrence of forfeited awards. A change in estimated forfeitures is recognized through a cumulative adjustment in the period of the change.

Equity Grants – During the six months ended June 30, 2021, pursuant to the Amended 2016 Plan, the Company granted employees 2,028 RSUs that are Service-based Awards. Service-based Awards granted during the six months ended June 30, 2021 had grant date fair values of $111.03 to $141.07 per share, with an average value of $118.63 per share, for an aggregate fair value of $240,568, and generally vest ratably over four years. During the six months ended June 30, 2021, 2,142 Service-based Awards vested and 106 Service-based Awards were forfeited. Compensation expense related to Service-based Awards was $58,054 and $109,762 for the three and six months ended June 30, 2021, respectively, and $50,176 and $100,472 for the three and six months ended June 30, 2020, respectively.

Deferred Cash

Deferred Cash Compensation Program **–** The Company's deferred cash compensation program provides participants the ability to elect to receive a portion of their deferred compensation in cash, which is indexed to notional investment portfolios selected by the participant and vests ratably over four years and requires payment upon vesting. The Company granted $96,511 of deferred cash awards pursuant to the deferred cash compensation program during the first quarter of 2021.

Compensation expense related to the Company's deferred cash compensation program was $34,858 and $65,747 for the three and six months ended June 30, 2021, respectively, and $35,626 and $57,861 for the three and six months ended June 30, 2020, respectively. As of June 30, 2021, the Company expects to pay an aggregate of $326,219 related to the Company's deferred cash compensation program at various dates through 2025 and total compensation expense related to these awards not yet recognized was $225,591. The weighted-average period over which this compensation cost is expected to be recognized is 27 months. Amounts due pursuant to this program are expensed over the service period of the award and are reflected in Accrued Compensation and Benefits, a component of current liabilities, on the Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021.

Other Deferred Cash Awards **–** In November 2016, the Company granted a restricted cash award in conjunction with the appointment of a current Co-Chief Executive Officer (then Executive Chairman) with a target payment amount of $35,000, of which $11,000 vested on March 1, 2019, $6,000 vested on each of March 1, 2020 and 2021, and $6,000 is scheduled to vest on each of the next two anniversaries of March 1, 2021, provided that the current Co-Chief Executive Officer continues to remain employed through each such vesting date, subject to vesting upon specified termination events (including retirement, upon satisfying certain eligibility criteria, on or following May 1, 2019, subject to a six month prior written notice requirement) or a change in control. The Company had the discretion to increase (by an amount up to $35,000) or decrease (by an amount up to $8,750) the total amount payable under this award.

In 2017, the Company granted deferred cash awards of $29,500 to certain employees. These awards vest in five equal installments over the period ending June 30, 2022, subject to continued employment. The Company recognizes expense for these awards ratably over the vesting period.

In addition, the Company periodically grants deferred cash awards to certain employees. The Company recognizes expense for these awards ratably over the vesting period.

Compensation expense related to other deferred cash awards was $2,180 and $5,521 for the three and six months ended June 30, 2021, respectively, and $3,808 and $7,153 for the three and six months ended June 30, 2020, respectively.

Long-term Incentive Plan

The Company's Long-term Incentive Plan provides for incentive compensation awards to Advisory Senior Managing Directors, excluding executive officers of the Company, who exceed defined benchmark results over four-year performance periods beginning January 1, 2017 (the "2017 Long-term Incentive Plan") and January 1, 2021 (the "2021 Long-term Incentive Plan", which was approved by the Company's Board of Directors in April 2021). Remaining amounts due pursuant to the 2017 and 2021 Long-term Incentive Plans, which aggregate $48,455 of current liabilities and $35,405 of long-term liabilities on the Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2021, are due to be paid, in cash or Class A Shares, at the Company's discretion, in equal installments in the first quarter of 2022 and 2023 (for the 2017 Long-term Incentive Plan), and in the first quarter of 2025, 2026 and 2027 (for the 2021 Long-term Incentive Plan), subject to employment at the time of payment. The performance period for the 2017 Long-term Incentive Plan ended on December 31, 2020 and the first cash distribution pursuant to this plan of $48,461 was made in March 2021. Awards issued under the 2017 Long-term Incentive Plan are subject to retirement eligibility requirements after the performance criteria has been achieved. The Company periodically assesses the probability of the benchmarks being achieved and expenses the probable payout over the requisite service period of the award. During the first half of 2020, in assessing the potential impact of the COVID-19 pandemic on the Company's full year 2020 results, management determined it would be appropriate to decrease its expectation for the probable payout of the 2017 Long-term Incentive Plan, which included a review of both historical and projected performance for those eligible under the plan. The Company recorded $8,209 and $13,102 of compensation expense for the three and six months ended June 30, 2021, respectively, and recorded $2,989 of compensation expense for the three months ended June 30, 2020 and reversed $3,821 of compensation expense for the six months ended June 30, 2020 related to these plans.

As of June 30, 2021, the total remaining expense to be recognized for the 2017 Long-term Incentive Plan over the future vesting period ending March 15, 2023 is $17,133. As of June 30, 2021, the total remaining expense to be recognized for the

(amounts in thousands, except per share amounts, unless otherwise noted)

2021 Long-term Incentive Plan over the future vesting period ending March 15, 2027 is $125,984, which reflects the current anticipated probable payout for the plan.

Employee Loans Receivable

Periodically, the Company provides new and existing employees with cash payments in the form of loans and/or other cash awards which are subject to ratable vesting terms with service requirements ranging from one to five years and in certain circumstances, subject to the achievement of performance requirements. Generally, the terms of these awards include a requirement of either full or partial repayment of these awards based on the terms of their employment agreements with the Company. In circumstances where the employee meets the Company's minimum credit standards, the Company amortizes these awards to compensation expense over the relevant service period, which is generally the period they are subject to forfeiture. Compensation expense related to these awards was $6,296 and $10,446 for the three and six months ended June 30, 2021, respectively, and $3,980 and $8,415 for the three and six months ended June 30, 2020, respectively. The remaining unamortized amount of these awards was $25,356 as of June 30, 2021.

Separation and Transition Benefits

In 2020, the Company completed a review of operations focused on markets, sectors and people which delivered lower levels of productivity in an effort to attain greater flexibility of operations and better position itself for future growth. This review generated reductions of approximately 8% of the Company's headcount. In conjunction with the employment reductions, for the three and six months ended June 30, 2020, the Company incurred expenses related to separation benefits, stay arrangements and accelerated deferred cash compensation (together, the "Termination Costs") of $6,385 and $22,816, respectively, and the acceleration of the amortization of share-based payments previously granted to affected employees of $1,806 and $7,335, respectively, (related to 104 RSUs) each recorded in Special Charges, Including Business Realignment Costs, primarily within the Investment Banking segment, on the Company's Unaudited Condensed Consolidated Statements of Operations.

The following table presents the change in the Company's Termination Costs liability for the six months ended June 30, 2021 and 2020:

	For the Six Months Ended June 30,	
	2021	2020
Beginning Balance	$ 4,589	$ 1,151
Termination Costs Incurred	1,053	22,816
Cash Benefits Paid	(3,033)	(17,978)
Non-Cash Charges	(25)	(603)
Ending Balance	$ 2,584	$ 5,386

In addition to the above Termination Costs incurred, for the three and six months ended June 30, 2021, the Company also incurred expenses related to the acceleration of the amortization of share-based payments previously granted to affected employees of $1,663 and $1,948, respectively, (related to 29 RSUs) recorded in Employee Compensation and Benefits, within the Investment Banking segment, on the Company's Unaudited Condensed Consolidated Statements of Operations.

Note 16 – Commitments and Contingencies

For a further discussion of the Company's commitments, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Private Equity – As of June 30, 2021, the Company had unfunded commitments for capital contributions of $10,091 to private equity funds. These commitments will be funded as required through the end of each private equity fund's investment period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the private equity funds.

Lines of Credit – On June 24, 2016, Evercore Partners Services East L.L.C. ("East") entered into a loan agreement with PNC Bank, National Association ("PNC") for a revolving credit facility in an aggregate principal amount of up to $30,000, to be used for working capital and other corporate activities. This facility is secured by East's accounts receivable and the proceeds therefrom, as well as certain assets of EGL, including certain of EGL's accounts receivable. In addition, the agreement contains certain reporting covenants, as well as certain debt covenants that prohibit East and the Company from incurring other indebtedness, subject to specified exceptions. The Company and its consolidated subsidiaries were in compliance with these covenants as of June 30, 2021. East amended this facility on October 30, 2020 such that, among other things, the interest rate provisions were modified to LIBOR plus 150 basis points and the maturity date was extended to October 31, 2022 (as amended, the "Existing PNC Facility").

(amounts in thousands, except per share amounts, unless otherwise noted)

On July 26, 2019, East entered into an additional loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $20,000, to be used for working capital and other corporate activities. This facility is unsecured. In addition, the agreement contains certain reporting requirements and debt covenants consistent with the Existing PNC Facility. The Company and its consolidated subsidiaries were in compliance with these covenants as of June 30, 2021. On October 30, 2020, East amended this facility such that, among other things, the revolving credit facility has increased to an aggregate principal amount of $30,000. Drawings under this facility bear interest at LIBOR plus 180 basis points and the maturity date was extended to October 31, 2022. East is only permitted to borrow under this facility if there is no undrawn availability under the Existing PNC Facility and must repay indebtedness under this facility prior to repaying indebtedness under the Existing PNC Facility. There have been no drawings under this facility as of June 30, 2021.

In addition, EGL's clearing broker provides temporary funding for the settlement of securities transactions.

Other Commitments – The Company enters into commitments to pay contingent consideration related to certain of its acquisitions. The Company paid $270 and $81 of its commitment for contingent consideration related to its acquisition of Kuna & Co, KG during the six months ended June 30, 2021 and 2020, respectively. The contingent consideration was fully paid as of June 30, 2021.

Restricted Cash – The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial condition that sum to the total of amounts shown in the Unaudited Condensed Consolidated Statements of Cash Flows:

	June 30,	
	2021	2020
Cash and Cash Equivalents	$ 442,187	$ 1,015,723
Restricted Cash included in Other Assets	8,804	9,297
Total Cash, Cash Equivalents and Restricted Cash shown in the Statement of Cash Flows	$ 450,991	$ 1,025,020

Restricted Cash included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition primarily represents letters of credit which are secured by cash as collateral for the lease of office space and security deposits for certain equipment. The restrictions will lapse when the leases end.

Futures Contracts – In February 2020, the Company entered into four-month futures contracts on a stock index fund with a notional amount of $38,908, as an economic hedge against the Company's deferred cash compensation program. These contracts settled in June 2020. In accordance with ASC 815, *"Derivatives and Hedging"* ("ASC 815"), these contracts were carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized gains (losses) of $5,230 and ($3,998) for the three and six months ended June 30, 2020, respectively.

Foreign Exchange – On occasion, the Company enters into foreign currency exchange forward contracts as an economic hedge against exchange rate risk for foreign currency denominated accounts receivable in EGL. There were no foreign currency exchange forward contracts outstanding as of June 30, 2021.

Contingencies

In the normal course of business, from time to time, the Company and its affiliates are involved in judicial or regulatory proceedings, arbitration or mediation concerning matters arising in connection with the conduct of its businesses, including contractual and employment matters. In addition, United Kingdom, German, Hong Kong, Singapore, Canadian, Dubai and United States government agencies and self-regulatory organizations, as well as state securities commissions in the United States, conduct periodic examinations and initiate administrative proceedings regarding the Company's business, including, among other matters, accounting and operational matters, that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer, investment advisor, or its directors, officers or employees. In view of the inherent difficulty of determining whether any loss in connection with such matters is probable and whether the amount of such loss can be reasonably estimated, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, the Company cannot estimate the amount of such loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, the Company believes, based on current knowledge and after consultation with counsel, that it is not currently party to any material pending proceedings, individually or in the aggregate, the resolution of which would have a material effect on the Company. Provisions for losses are established in accordance with ASC 450, "*Contingencies"* ("ASC 450") when warranted. Once established, such provisions are adjusted when there is more information available or when an event occurs requiring a change.

Note 17 – Regulatory Authorities

EGL is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Under the Alternative Net Capital Requirement, EGL's minimum net capital requirement is $250. EGL's regulatory net capital as of June 30, 2021 and December 31, 2020 was $433,286 and $586,814, respectively, which exceeded the minimum net capital requirement by $433,036 and $586,564, respectively.

Certain other non-U.S. subsidiaries are subject to various securities and banking regulations and capital adequacy requirements promulgated by the regulatory and exchange authorities of the countries in which they operate. These subsidiaries are in excess of their local capital adequacy requirements at June 30, 2021.

Evercore Trust Company, N.A. ("ETC"), which is limited to fiduciary activities, is regulated by the Office of the Comptroller of the Currency ("OCC") and is a member bank of the Federal Reserve System. The Company, Evercore LP and ETC are subject to written agreements with the OCC that, among other things, require the Company and Evercore LP to maintain at least $5,000 in Tier 1 capital in ETC (or such other amount as the OCC may require) and maintain liquid assets in ETC in an amount at least equal to the greater of $3,500 or 180 days coverage of ETC's operating expenses. The Company was in compliance with the aforementioned agreements as of June 30, 2021.

Note 18 – Income Taxes

The Company's Provision for Income Taxes was $46,478 and $78,159 for the three and six months ended June 30, 2021, respectively, and $21,814 and $35,365 for the three and six months ended June 30, 2020, respectively. The effective tax rate was 22.1% and 19.2% for the three and six months ended June 30, 2021, respectively, and 24.5% and 25.0% for the three and six months ended June 30, 2020, respectively. The effective tax rate reflects net excess tax benefits associated with the appreciation of the Company's share price upon vesting of employee share-based awards above the original grant price, of which $17,018 and $103 is being recognized in the Company's Provision for Income Taxes for the six months ended June 30, 2021 and 2020, respectively, and resulted in a reduction in the effective tax rate of 4 and 0.1 percentage points for the six months ended June 30, 2021 and 2020, respectively. The effective tax rate for 2021 and 2020 also reflects the effect of certain nondeductible expenses, including expenses related to Class J LP Units and Class I-P and K-P Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Additionally, the Company is subject to the income tax effects associated with the global intangible low-taxed income ("GILTI") provisions in the period incurred. For the three and six months ended June 30, 2021 and 2020, no additional income tax expense associated with the GILTI provisions has been recognized and it is not expected to be material to the Company’s effective tax rate for the year.

The Company reported a decrease in deferred tax assets of $153 associated with changes in Unrealized Gain (Loss) on Securities and Investments and a decrease of $763 associated with changes in Foreign Currency Translation Adjustment Gain (Loss), in Accumulated Other Comprehensive Income (Loss) for the six months ended June 30, 2021. The Company reported an increase in deferred tax assets of $518 associated with changes in Unrealized Gain (Loss) on Securities and Investments and an increase of $3,363 associated with changes in Foreign Currency Translation Adjustment Gain (Loss), in Accumulated Other Comprehensive Income (Loss) for the six months ended June 30, 2020.

The Company classifies interest relating to tax matters and tax penalties as a component of income tax expense in its Unaudited Condensed Consolidated Statements of Operations. As of June 30, 2021, there were $376 of unrecognized tax benefits that, if recognized, $306 would affect the effective tax rate. The Company anticipates approximately $122 of unrecognized tax benefits may be recognized within a year, as a result of the lapse in the statute of limitations. Related to the unrecognized tax benefits, the Company accrued interest and penalties of $10 and $1, respectively, during the three months ended June 30, 2021.

Note 19 – Segment Operating Results

Business Segments – The Company's business results are categorized into the following two segments: Investment Banking and Investment Management. Investment Banking includes providing advice to clients on significant mergers, acquisitions, divestitures and other strategic corporate transactions, as well as services related to securities underwriting, private placement services and commissions for agency-based equity trading services and equity research. Investment Management includes advising third-party investors in Institutional Asset Management and Wealth Management and interests in private equity funds which are not managed by the Company. The Company completed the sales of its ECB businesses in 2020. In addition, in 2020, the Company completed the transition of its advisory presence in Mexico to a strategic alliance relationship with a newly-formed independent strategic advisory firm founded by certain former employees.

The Company's segment information for the three and six months ended June 30, 2021 and 2020 is prepared using the following methodology:

- Revenue, expenses and income (loss) from equity method investments directly associated with each segment are included in determining pre-tax income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount, square footage and other performance and time-based factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, those assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.

Other Revenue, net, included in each segment's Net Revenues includes the following:

- Interest income and income (losses) earned on investment securities, including the Company's investment funds and futures contracts which are used as an economic hedge against the Company's deferred cash compensation program, certificates of deposit, cash and cash equivalents and on the Company’s debt security investment in G5
- Adjustments to amounts due pursuant to the Company’s tax receivable agreement, subsequent to its initial establishment, related to changes in enacted tax rates
- Gains (losses) resulting from foreign currency fluctuations
- Realized and unrealized gains and losses on interests in Private Equity funds which are not managed by the Company
- Interest expense associated with the Company’s Notes Payable and lines of credit, as well as revenue and expenses associated with repurchase or resale transactions (prior to the sale of the Company's ECB business in December 2020)

Each segment's Operating Expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segment and b) non-compensation expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, execution, clearing and custody fees, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, technology, human capital, facilities management and senior management activities.

Other Expenses include the following:

- *Amortization of LP Units and Certain Other Awards* – Includes amortization costs associated with the vesting of Class J LP Units issued in conjunction with the acquisition of ISI.
- *Special Charges, Including Business Realignment Costs* – Includes expenses in 2020 related to separation and transition benefits and related costs as a result of the Company's review of its operations and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of the Company's headquarters in New York and the Company's business realignment initiatives.

(amounts in thousands, except per share amounts, unless otherwise noted)

- *Acquisition and Transition Costs* – Includes costs incurred in connection with acquisitions, divestitures and other ongoing business development initiatives, primarily comprised of professional fees for legal and other services.
- *Intangible Asset and Other Amortization* – Includes amortization of intangible assets associated with certain acquisitions.

The Company evaluates segment results based on net revenues and pre-tax income, both including and excluding the impact of the Other Expenses.

No client accounted for more than 10% of the Company's Consolidated Net Revenues for the three and six months ended June 30, 2021.

The following information presents each segment's contribution.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Investment Banking				
Net Revenues(1)	$ 670,820	$ 495,374	$ 1,318,105	$ 909,030
Operating Expenses	468,160	399,476	924,686	739,271
Other Expenses(2)	—	9,163	7	34,389
Operating Income	202,660	86,735	393,412	135,370
Income from Equity Method Investments	549	65	718	601
Pre-Tax Income	$ 203,209	$ 86,800	$ 394,130	$ 135,971
Identifiable Segment Assets	$ 2,775,859	$ 2,358,662	$ 2,775,859	$ 2,358,662
Investment Management				
Net Revenues(1)	$ 17,045	$ 11,701	$ 32,070	$ 25,052
Operating Expenses	12,692	11,707	24,261	24,358
Other Expenses(2)	—	—	—	32
Operating Income (Loss)	4,353	(6)	7,809	662
Income from Equity Method Investments	2,845	2,248	5,700	4,840
Pre-Tax Income	$ 7,198	$ 2,242	$ 13,509	$ 5,502
Identifiable Segment Assets	$ 171,589	$ 140,927	$ 171,589	$ 140,927
Total				
Net Revenues(1)	$ 687,865	$ 507,075	$ 1,350,175	$ 934,082
Operating Expenses	480,852	411,183	948,947	763,629
Other Expenses(2)	—	9,163	7	34,421
Operating Income	207,013	86,729	401,221	136,032
Income from Equity Method Investments	3,394	2,313	6,418	5,441
Pre-Tax Income	$ 210,407	$ 89,042	$ 407,639	$ 141,473
Identifiable Segment Assets	$ 2,947,448	$ 2,499,589	$ 2,947,448	$ 2,499,589

(amounts in thousands, except per share amounts, unless otherwise noted)

(1) Net Revenues include Other Revenue, net, allocated to the segments as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Investment Banking(A)	$ 11,233	$ 11,039	$ 13,817	$ (10,553)
Investment Management	862	(1,252)	938	(648)
Total Other Revenue, net	$ 12,095	$ 9,787	$ 14,755	$ (11,201)

(A) Other Revenue, net, from Investment Banking includes interest expense on the Notes Payable of $4,306 and $8,876 for the three and six months ended June 30, 2021, respectively, and $4,534 and $9,376 for the three and six months ended June 30, 2020, respectively.

(2) Other Expenses are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Investment Banking				
Amortization of LP Units	$ —	$ —	$ —	$ 1,067
Special Charges, Including Business Realignment Costs	—	8,558	—	32,202
Acquisition and Transition Costs	—	98	7	106
Intangible Asset Amortization	—	507	—	1,014
Total Investment Banking	—	9,163	7	34,389
Investment Management				
Special Charges, Including Business Realignment Costs	—	—	—	32
Total Investment Management	—	—	—	32
Total Other Expenses	$ —	$ 9,163	$ 7	$ 34,421

Geographic Information – The Company manages its business based on the profitability of the enterprise as a whole.

The Company's revenues were derived from clients located and managed in the following geographical areas:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net Revenues:(1)				
United States	$ 528,322	$ 391,977	$ 988,970	$ 757,377
Europe and Other	145,117	100,224	343,731	180,245
Latin America	2,331	5,087	2,719	7,661
Total	$ 675,770	$ 497,288	$ 1,335,420	$ 945,283

(1) Excludes Other Revenue, Including Interest and Investments, and Interest Expense.

The Company's total assets are located in the following geographical areas:

	June 30, 2021	December 31, 2020
Total Assets:		
United States	$ 2,433,168	$ 2,862,343
Europe and Other	514,280	508,545
Total	$ 2,947,448	$ 3,370,888

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with Evercore Inc.'s unaudited condensed consolidated financial statements and the related notes included elsewhere in this Form 10-Q.

Forward-Looking Statements

This report contains, or incorporates by reference, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Exchange Act, which reflect our current views with respect to, among other things, our operations and financial performance. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "backlog," "believes," "expects," "potential," "probable," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. All statements, other than statements of historical fact, included in this report are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, and may include projections of our future financial performance based on our growth strategies and anticipated trends in our business.

Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. All statements other than statements of historical fact are forward-looking statements and, based on various underlying assumptions and expectations, are subject to known and unknown risks, uncertainties and assumptions and may include projections of our future financial performance based on our growth strategies and anticipated trends in Evercore's business. We believe these factors include, but are not limited to, those described under "Risk Factors" discussed in the Annual Report on Form 10-K for the year ended December 31, 2020. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this report. In addition, new risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. 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.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Key Financial Measures

Revenue

Total revenues reflect revenues from our Investment Banking and Investment Management business segments that include fees for services, transaction-related client reimbursements and other revenue. Net revenues reflect total revenues less interest expense.

Investment Banking. Our Investment Banking business earns fees from our clients for providing advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings, activism and defense and similar corporate finance matters, and from underwriting and private placement activities, as well as commissions, fees and principal revenues from research and our sales and trading activities. The amount and timing of the fees paid vary by the type of engagement or services provided. In general, advisory fees are paid at the time we sign an engagement letter, during the course of the engagement or when an engagement is completed. The majority of our investment banking revenue consists of advisory fees for which realizations are dependent on the successful completion of transactions. A transaction can fail to be completed for many reasons which are outside of our control, including failure of parties to agree upon final terms with the counterparty, to secure necessary board or shareholder approvals, to secure necessary financing or to achieve necessary regulatory approvals, or due to adverse market conditions. In the case of bankruptcy engagements, fees are subject to approval of the court. Underwriting fees are recognized when the offering has been deemed to be completed and placement fees are generally recognized at the time of the client's acceptance of capital or capital commitments. Commissions and Related Revenue includes commissions, which are recorded on a trade-date basis or, in the case of payments under commission sharing arrangements, on the date earned. Commissions and

Related Revenue also includes subscription fees for the sales of research, as well as revenues from principal transactions primarily executed on a riskless principal basis. Cash received before the subscription period ends is initially recorded as deferred revenue (a contract liability) and recognized as revenue over the remaining subscription period.

Revenue trends in our advisory business generally are correlated to the volume of merger and acquisition ("M&A") activity, restructuring activity, which tends to be counter-cyclical to M&A, and capital advisory activity. Demand for these capabilities can vary in any given year or quarter for a number of reasons. For example, changes in our market share or the ability of our clients to close certain large transactions can cause our revenue results to diverge from the level of overall M&A, restructuring or capital advisory activity. Revenue trends in our equities business are correlated to market volumes, which generally decrease in periods of low market volatility or unfavorable market or economic conditions.

Investment Management. Our Investment Management business includes operations related to the Wealth Management and Institutional Asset Management businesses and interests in private equity funds which we do not manage. Revenue sources primarily include management fees, fiduciary fees, performance fees and gains (or losses) on our investments. We completed the sale of the ECB Trust business on July 2, 2020 and the remaining ECB business on December 16, 2020. Following these transactions, there are no remaining consolidated businesses in the Institutional Asset Management business.

Management fees for third party clients generally represent a percentage of assets under management ("AUM"). Fiduciary fees, which are generally a function of the size and complexity of each engagement, are individually negotiated. We record performance fees upon the earlier of the termination of the investment fund or when the likelihood of clawback is mathematically improbable. Gains and losses include both realized and unrealized gains and losses on principal investments, including those arising from our equity interest in investment partnerships.

Transaction-Related Client Reimbursements. In our Investment Banking segment, we incur various transaction-related expenditures, such as travel and professional fees, in the course of performing our services. Pursuant to the engagement letters with our advisory clients, these expenditures may be reimbursable. We define these expenses, which are associated with revenue activities earned over time, as transaction-related expenses and record such expenditures as incurred and record revenue when it is determined that clients have an obligation to reimburse us for such transaction-related expenses. Client expense reimbursements are recorded as revenue on the Unaudited Condensed Consolidated Statements of Operations on the later of the date an engagement letter is executed or the date we pay or accrue the expense.

Other Revenue and Interest Expense. Other Revenue includes the following:

- Interest income and income (losses) earned on investment securities, including our investment funds and futures contracts which are used as an economic hedge against our deferred cash compensation program, certificates of deposit, cash and cash equivalents and on our debt security investment in G5
- Adjustments to amounts due pursuant to our tax receivable agreement, subsequent to its initial establishment, related to changes in enacted tax rates
- Gains (losses) resulting from foreign currency fluctuations
- Realized and unrealized gains and losses on interests in private equity funds which we do not manage

Interest Expense includes interest expense associated with our Notes Payable and lines of credit.

Prior to the sale of our ECB business in Mexico on December 16, 2020, Other Revenue and Interest Expense was also derived from investing customer funds in financing transactions. These transactions were principally repurchases and resales of Mexican government and government agency securities. Revenue and expenses associated with these transactions were recognized over the term of the repurchase or resale transaction.

Operating Expenses

Employee Compensation and Benefits Expense. We include all payments for services rendered by our employees, as well as profits interests in our businesses that have been accounted for as compensation, in employee compensation and benefits expense.

We maintain compensation programs, including base salary, cash, deferred cash and equity bonus awards and benefits programs and manage compensation to estimates of competitive levels based on market conditions and performance. Our level of compensation, including deferred compensation, reflects our plan to maintain competitive compensation levels to retain key personnel, and it reflects the impact of newly-hired senior professionals, including related grants of equity awards which are generally valued at their grant date.

Increasing the number of high-caliber, experienced senior level employees is critical to our growth efforts. In our advisory businesses, these hires generally do not begin to generate significant revenue in the year they are hired.

Our annual compensation program includes share-based compensation awards and deferred cash awards as a component of the annual bonus awards for certain employees. These awards are generally subject to annual vesting requirements over a four-year period beginning at the date of grant, which occurs in the first quarter of each year; accordingly, the expense is generally amortized over the stated vesting period, subject to retirement eligibility. With respect to annual awards, our retirement eligibility criteria generally stipulates that if an employee has at least five years of continuous service, is at least 55 years of age and has a combined age and years of service of at least 65 years, the employee is eligible for retirement. Beginning in 2019, we implemented additional retirement eligibility qualifying criteria, for awards issued in 2019 and after, that stipulates if an employee has at least 10 years of continuous service and is at least 60 years of age, the employee is also eligible for retirement. Retirement eligibility allows for continued vesting of awards after employees depart from the Company, provided they give the minimum advance notice, which is generally six months to one year.

We estimate forfeitures in the aggregate compensation cost to be amortized over the requisite service period of the awards. We periodically monitor our estimated forfeiture rate and adjust our assumptions to the actual occurrence of forfeited awards. A change in estimated forfeitures is recognized through a cumulative adjustment in the period of the change.

In April 2021, our Board of Directors approved the issuance of Class L Interests to our named executive officers, pursuant to which the named executive officers may receive a discretionary distribution of profits from Evercore LP, to be paid in the first quarter of 2022. Distributions pursuant to these interests are anticipated to be made in lieu of any cash incentive compensation payments which may otherwise have been made to our named executive officers in respect of their service for 2021.

Our Long-term Incentive Plan provides for incentive compensation awards to Advisory Senior Managing Directors, excluding executive officers, who exceed defined benchmark results over four-year performance periods beginning January 1, 2017 and January 1, 2021. The first cash distribution under the 2017 Long-term Incentive Plan occurred in March 2021. Remaining amounts are due to be paid, in cash or Class A Shares, at our discretion, in equal installments in the first quarter of 2022 and 2023 (for the 2017 Long-term Incentive Plan) and in the first quarter of 2025, 2026 and 2027 (for the 2021 Long-term Incentive Plan), subject to employment at the time of payment. Awards issued under the 2017 Long-term Incentive Plan are subject to retirement eligibility requirements after the performance criteria has been achieved. We periodically assess the probability of the benchmarks being achieved and expense the probable payout over the requisite service period of the award. The performance period for the 2017 Long-term Incentive Plan ended on December 31, 2020.

From time to time, we also grant performance awards to certain individuals which include both performance and service-based vesting requirements. See Note 15 to our unaudited condensed consolidated financial statements for further information.

We believe that the ratio of Employee Compensation and Benefits Expense to Net Revenues is an important measure to assess the annual cost of compensation and provides a meaningful basis for comparison of compensation and benefits expense between present, historical and future years.

Non-Compensation Expenses. Our other operating expenses include costs for occupancy and equipment rental, professional fees, travel and related expenses, communications and information technology services, depreciation and amortization, execution, clearing and custody fees and other operating expenses. We refer to all of these expenses as non-compensation expenses.

Other Expenses

Other Expenses include the following:

- *Amortization of LP Units and Certain Other Awards* – Includes amortization costs associated with the vesting of Class J LP Units issued in conjunction with the acquisition of ISI.
- *Special Charges, Including Business Realignment Costs* – Includes expenses in 2020 related to separation and transition benefits and related costs as a result of our review of operations and the acceleration of depreciation expense

for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives.

- *Acquisition and Transition Costs* – Includes costs incurred in connection with acquisitions, divestitures and other ongoing business development initiatives, primarily comprised of professional fees for legal and other services.
- *Intangible Asset and Other Amortization* – Includes amortization of intangible assets associated with certain acquisitions.

Income from Equity Method Investments

Our share of the income (loss) from our equity interests in ABS, Atalanta Sosnoff and Luminis are included within Income from Equity Method Investments, as a component of Income Before Income Taxes, on the Unaudited Condensed Consolidated Statements of Operations.

In July 2021, we acquired a 20% interest in Seneca Evercore for $0.5 million and will maintain proportional representation on the board of directors of Seneca Evercore (but not less than one director) following this transaction. We will account for our interest under the equity method of accounting and present our share of the income (loss) from our interest within Income from Equity Method Investments, as a component of Income Before Income Taxes, on the Unaudited Condensed Consolidated Statements of Operations.

Provision for Income Taxes

We account for income taxes in accordance with ASC 740, which requires the recognition of tax benefits or expenses on temporary differences between the financial reporting and tax basis of our assets and liabilities. Excess tax benefits and deficiencies associated with the appreciation or depreciation in our share price upon vesting of employee share-based awards above or below the original grant price are recognized in our Provision for Income Taxes. In addition, net deferred tax assets are impacted by changes to statutory tax rates in the period of enactment.

Noncontrolling Interest

We record noncontrolling interest relating to the ownership interests of certain of our current and former Senior Managing Directors and other officers and their estate planning vehicles in Evercore LP, as well as the portions of our operating subsidiaries not owned by Evercore. Evercore Inc. is the sole general partner of Evercore LP and has a majority economic interest in Evercore LP. As a result, Evercore Inc. consolidates Evercore LP and records a noncontrolling interest for the economic interest in Evercore LP held by the limited partners.

We generally allocate net income or loss to participating noncontrolling interests held at Evercore LP and at the operating entity level, where required, by multiplying the relative ownership interest of the noncontrolling interest holders for the period by the net income or loss of the entity to which the noncontrolling interest relates. In circumstances where the governing documents of the entity to which the noncontrolling interest relates require special allocations of profits or losses to the controlling and noncontrolling interest holders, the net income or loss of these entities is allocated based on these special allocations.

Results of Operations

The following is a discussion of our results of operations for the three and six months ended June 30, 2021 and 2020. For a more detailed discussion of the factors that affected the revenue and operating expenses of our Investment Banking and Investment Management business segments in these periods, see the discussion in "Business Segments" below.

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	Change	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020	Change
	(dollars in thousands, except per share data)					
Revenues						
Investment Banking:						
Advisory Fees	$ 560,814	$ 336,436	67 %	$ 1,072,732	$ 695,000	54 %
Underwriting Fees	48,048	93,565	(49 %)	127,305	114,683	11 %
Commissions and Related Revenue	50,725	54,334	(7 %)	104,251	109,900	(5 %)
Asset Management and Administration Fees	16,183	12,953	25 %	31,132	25,700	21 %
Other Revenue, Including Interest and Investments	16,401	15,116	9 %	23,631	168	NM
Total Revenues	692,171	512,404	35 %	1,359,051	945,451	44 %
Interest Expense	4,306	5,329	(19 %)	8,876	11,369	(22 %)
Net Revenues	687,865	507,075	36 %	1,350,175	934,082	45 %
Expenses						
Operating Expenses	480,852	411,183	17 %	948,947	763,629	24 %
Other Expenses	—	9,163	NM	7	34,421	(100 %)
Total Expenses	480,852	420,346	14 %	948,954	798,050	19 %
Income Before Income from Equity Method Investments and Income Taxes	207,013	86,729	139 %	401,221	136,032	195 %
Income from Equity Method Investments	3,394	2,313	47 %	6,418	5,441	18 %
Income Before Income Taxes	210,407	89,042	136 %	407,639	141,473	188 %
Provision for Income Taxes	46,478	21,814	113 %	78,159	35,365	121 %
Net Income	163,929	67,228	144 %	329,480	106,108	211 %
Net Income Attributable to Noncontrolling Interest	23,570	10,816	118 %	44,769	18,521	142 %
Net Income Attributable to Evercore Inc.	$ 140,359	$ 56,412	149 %	$ 284,711	$ 87,587	225 %
Diluted Net Income Per Share Attributable to Evercore Inc. Common Shareholders	$ 3.21	$ 1.35	138 %	$ 6.46	$ 2.08	211 %

As of June 30, 2021 and 2020, we employed approximately 1,900 and 1,775 people, respectively, worldwide.

Three Months Ended June 30, 2021 versus June 30, 2020

Net Income Attributable to Evercore Inc. was $140.4 million for the three months ended June 30, 2021, an increase of $83.9 million, or 149%, compared to $56.4 million for the three months ended June 30, 2020. The changes in our operating results during these periods are described below.

Net Revenues were $687.9 million for the three months ended June 30, 2021, an increase of $180.8 million, or 36%, versus Net Revenues of $507.1 million for the three months ended June 30, 2020. Advisory Fees increased $224.4 million, or 67%, Underwriting Fees decreased $45.5 million, or 49%, and Commissions and Related Revenue decreased $3.6 million, or 7%, compared to the three months ended June 30, 2020. Asset Management and Administration Fees increased $3.2 million, or 25%, compared to the three months ended June 30, 2020. Other Revenue, Including Interest and Investments, increased 9% compared to the three months ended June 30, 2020, primarily driven by the gain on the redemption of the G5 debt security in the second quarter of 2021, partially offset by lower performance of our investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program. For further information see Notes 7, 8 and 16 to our unaudited condensed consolidated financial statements.

Total Operating Expenses were $480.9 million for the three months ended June 30, 2021, compared to $411.2 million for the three months ended June 30, 2020, an increase of $69.7 million, or 17%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $407.8 million for the three months ended June 30, 2021, an increase of $73.8 million, or 22%, versus expense of $334.0 million for the three months ended June 30, 2020. The increase in the amount of compensation recognized for the three months ended June 30, 2021 principally reflects higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries. Non-Compensation expenses, as a component of Operating Expenses, were $73.1 million for the three months ended June 30, 2021, a decrease of $4.1 million, or 5%, versus $77.2 million for the three months ended June 30, 2020. Non-Compensation operating expenses decreased compared to the three months ended June 30, 2020, primarily driven by a decrease in bad debt expense, which was due in part to recoveries in 2021, partially offset by an increase in professional fees. Non-Compensation expenses per employee were approximately $39.4 thousand for the three months ended June 30, 2021, versus $42.6 thousand for the three months ended June 30, 2020.

Total Other Expenses of $9.2 million for the three months ended June 30, 2020 included (a) Special Charges, Including Business Realignment Costs, of $8.6 million related to separation and transition benefits and related costs and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives, (b) intangible asset and other amortization of $0.5 million and (c) Acquisition and Transition Costs of $0.1 million.

As a result of the factors noted above, Employee Compensation and Benefits Expense as a percentage of Net Revenues was 59.3% for the three months ended June 30, 2021, compared to 65.9% for the three months ended June 30, 2020. The compensation ratio for the three months ended June 30, 2020 was 67.5% when the $8.2 million of separation and transition benefits expense, which is presented within Special Charges, Including Business Realignment Costs, is also included. The decrease in the compensation ratio principally reflects leverage achieved on higher revenues, partially offset by higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries.

Income from Equity Method Investments was $3.4 million for the three months ended June 30, 2021, compared to $2.3 million for the three months ended June 30, 2020. The increase was driven by an increase in earnings from ABS, Luminis and Atalanta Sosnoff during the three months ended June 30, 2021.

The provision for income taxes for the three months ended June 30, 2021 was $46.5 million, which reflected an effective tax rate of 22.1%. The provision for income taxes for the three months ended June 30, 2020 was $21.8 million, which reflected an effective tax rate of 24.5%. The provision for income taxes for the three months ended June 30, 2021 reflects an additional tax benefit of $0.3 million and for the three months ended June 30, 2020 an additional tax expense of $0.5 million due to the net impact associated with the appreciation or depreciation in our share price upon vesting of employee share-based awards above or below the original grant price, the effect of certain nondeductible expenses, including expenses related to Class I-P and K-P Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Net Income Attributable to Noncontrolling Interest was $23.6 million for the three months ended June 30, 2021 compared to $10.8 million for the three months ended June 30, 2020. The increase in Net Income Attributable to Noncontrolling Interest primarily reflects higher earnings for Evercore LP during the three months ended June 30, 2021.

Six Months Ended June 30, 2021 versus June 30, 2020

Net Income Attributable to Evercore Inc. was $284.7 million for the six months ended June 30, 2021, an increase of $197.1 million, or 225%, compared to $87.6 million for the six months ended June 30, 2020. The changes in our operating results during these periods are described below.

Net Revenues were $1.35 billion for the six months ended June 30, 2021, an increase of $416.1 million, or 45%, versus Net Revenues of $934.1 million for the six months ended June 30, 2020. Advisory Fees increased $377.7 million, or 54%, Underwriting Fees increased $12.6 million, or 11%, and Commissions and Related Revenue decreased $5.6 million, or 5%, compared to the six months ended June 30, 2020. Asset Management and Administration Fees increased $5.4 million, or 21%, compared to the six months ended June 30, 2020. Other Revenue, Including Interest and Investments, increased compared to the six months ended June 30, 2020, which was primarily driven by a shift from net losses of $6.8 million for the six months ended June 30, 2020 to gains of $16.0 million for the six months ended June 30, 2021 on our investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program, as well as the gain on the redemption of the G5 debt security in the second quarter of 2021. For further information see Notes 7, 8 and 16 to our unaudited condensed consolidated financial statements.

Total Operating Expenses were $948.9 million for the six months ended June 30, 2021, compared to $763.6 million for the six months ended June 30, 2020, an increase of $185.3 million, or 24%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $803.2 million for the six months ended June 30, 2021, an increase of $199.5 million, or 33%, versus expense of $603.7 million for the six months ended June 30, 2020. The increase in the amount of compensation recognized in the six months ended June 30, 2021 is driven by higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries. Non-compensation expenses as a component of Operating Expenses were $145.7 million for the six months ended June 30, 2021, a decrease of $14.2 million, or 9%, versus $159.9 million for the six months ended June 30, 2020. Non-compensation operating expenses decreased compared to the six months ended June 30, 2020, primarily driven by decreased travel and related expenses, as a substantial number of employees continued to work remotely in 2021, as well as a decrease in bad debt expense, which was due in part to recoveries in 2021, partially offset by an increase in professional fees. Non-Compensation expenses per employee were approximately $79.3 thousand for the six months ended June 30, 2021, versus $86.7 thousand for the six months ended June 30, 2020.

Total Other Expenses of $0.01 million for the six months ended June 30, 2021 reflected Acquisition and Transition Costs. Total Other Expenses of $34.4 million for the six months ended June 30, 2020 included (a) Special Charges, Including Business Realignment Costs, of $32.2 million related to separation and transition benefits and related costs and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives, (b) compensation costs of $1.1 million associated with the vesting of Class J LP Units, (c) intangible asset and other amortization of $1.0 million and (d) Acquisition and Transition Costs of $0.1 million.

As a result of the factors noted above, Employee Compensation and Benefits Expense as a percentage of Net Revenues was 59.5% for the six months ended June 30, 2021, compared to 64.7% for the six months ended June 30, 2020. The compensation ratio for the six months ended June 30, 2020 was 68.0% when the $30.2 million of separation and transition benefits expense, which is presented within Special Charges, Including Business Realignment Costs, is also included. The decrease in the compensation ratio principally reflects leverage achieved on higher revenues, partially offset by higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries.

Income from Equity Method Investments was $6.4 million for the six months ended June 30, 2021, compared to $5.4 million for the six months ended June 30, 2020. The increase was a result of an increase in earnings from ABS, Atalanta Sosnoff and Luminis during the six months ended June 30, 2021.

The provision for income taxes for the six months ended June 30, 2021 was $78.2 million, which reflected an effective tax rate of 19.2%. The provision for income taxes for the six months ended June 30, 2020 was $35.4 million, which reflected an effective tax rate of 25.0%. The provision for income taxes for the six months ended June 30, 2021 and 2020 reflects the net impact of the deduction associated with the appreciation of our share price upon vesting of employee share-based awards above the original grant price of $17.0 million and $0.1 million, respectively, the effect of certain nondeductible expenses, including expenses related to Class J LP Units and Class I-P and K-P Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Net Income Attributable to Noncontrolling Interest was $44.8 million for the six months ended June 30, 2021 compared to $18.5 million for the six months ended June 30, 2020. The increase in Net Income Attributable to Noncontrolling Interest primarily reflects higher earnings for Evercore LP during the six months ended June 30, 2021.

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Business Segments

The following data presents revenue, expenses and contributions from our equity method investments by business segment.

Investment Banking

The following table summarizes the operating results of the Investment Banking segment.

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	Change	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020	Change
	(dollars in thousands)					
venues						
vestment Banking:						
Advisory Fees	$ 560,814	$ 336,436	67 %	$ 1,072,732	$ 695,000	54 %
Underwriting Fees	48,048	93,565	(49) %	127,305	114,683	11 %
Commissions and Related Revenue(1)	50,725	54,334	(7) %	104,251	109,900	(5) %
her Revenue, net(2)(3)	11,233	11,039	2 %	13,817	(10,553)	NM
t Revenues	670,820	495,374	35 %	1,318,105	909,030	45 %
penses						
erating Expenses	468,160	399,476	17 %	924,686	739,271	25 %
her Expenses	—	9,163	NM	7	34,389	(100) %
tal Expenses	468,160	408,639	15 %	924,693	773,660	20 %
erating Income	202,660	86,735	134 %	393,412	135,370	191 %
come from Equity Method Investments(4)	549	65	745 %	718	601	19 %
e-Tax Income	$ 203,209	$ 86,800	134 %	$ 394,130	$ 135,971	190 %

(1) We renamed "Commissions and Related Fees" to "Commissions and Related Revenue" and reclassified $0.2 million and $0.4 million of principal trading gains and losses from our institutional equities business from "Other Revenue, net" to "Commissions and Related Revenue" for the three and six months ended June 30, 2020, respectively. See Note 2 to our unaudited condensed consolidated financial statements for further information.

(2) Includes interest expense on Notes Payable of $4.3 million and $8.9 million for the three and six months ended June 30, 2021, respectively, and $4.5 million and $9.4 million for the three and six months ended June 30, 2020, respectively.

(3) Includes a gain of $4.4 million for the three and six months ended June 30, 2021, resulting from the redemption of our G5 debt security.

(4) Equity in Luminis is classified as Income from Equity Method Investments.

For the three months ended June 30, 2021, the dollar value of North American announced and completed M&A activity increased 491% and decreased 14%, respectively, compared to the three months ended June 30, 2020, and the dollar value of Global announced and completed M&A activity increased 185% and 2%, respectively, compared to the three months ended June 30, 2020. For the three months ended June 30, 2021, the dollar value of North American and Global announced M&A activity between $1 - $5 billion increased 463% and 396%, respectively, compared to the three months ended June 30, 2020. For the six months ended June 30, 2021, the dollar value of North American announced and completed M&A activity increased 266% and 1%, respectively, compared to the six months ended June 30, 2020, and the dollar value of Global announced and completed M&A activity increased 132% and 17%, respectively, compared to the six months ended June 30, 2020. For the six months ended June 30, 2021, the dollar value of North American and Global announced M&A activity between $1 - $5 billion increased 302% and 260%, respectively, compared to the six months ended June 30, 2020.

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	Change	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020	Change
Industry Statistics ($ in billions) *						
Value of North American M&A Deals Announced	$ 750	$ 127	491 %	$ 1,441	$ 394	266 %
Value of North American M&A Deals Announced between $1 - $5 billion	$ 214	$ 38	463 %	$ 491	$ 122	302 %
Value of North American M&A Deals Completed	$ 426	$ 494	(14 %)	$ 806	$ 801	1 %
Value of Global M&A Deals Announced	$ 1,481	$ 519	185 %	$ 2,742	$ 1,180	132 %
Value of Global M&A Deals Announced between $1 - $5 billion	$ 417	$ 84	396 %	$ 882	$ 245	260 %
Value of Global M&A Deals Completed	$ 886	$ 871	2 %	$ 1,729	$ 1,472	17 %
Evercore Statistics **						
Total Number of Fees From Advisory Client Transactions	255	222	15 %	418	358	17 %
Investment Banking Fees of at Least $1 million from Advisory Client Transactions	115	77	49 %	218	150	45 %
Total Number of Underwriting Transactions	31	36	(14 %)	70	48	46 %
Total Number of Underwriting Transactions as a Bookrunner	25	21	19 %	56	29	93 %

* Source: Refinitiv June 30, 2021
** Includes revenue generating clients

Investment Banking Results of Operations

Three Months Ended June 30, 2021 versus June 30, 2020

Investment Banking Net Revenues were $670.8 million for the three months ended June 30, 2021, compared to $495.4 million for the three months ended June 30, 2020, an increase of $175.4 million, or 35%. We earned 255 fees from Advisory clients for the three months ended June 30, 2021, compared to 222 for the three months ended June 30, 2020, representing a 15% increase. We earned 115 fees in excess of $1.0 million for the three months ended June 30, 2021, compared to 77 for the three months ended June 30, 2020, representing a 49% increase. The increase in revenues from the three months ended June 30, 2020 was primarily driven by an increase of $224.4 million, or 67%, in Advisory Fees, reflecting an increase in the number of Advisory fees earned and an increase in revenue earned from large transactions during the three months ended June 30, 2021. Underwriting Fees decreased $45.5 million, or 49%, compared to the three months ended June 30, 2020, reflecting a decrease in the number of transactions we participated in, as well as the relative fee size of those transactions. Commissions and Related Revenue decreased $3.6 million, or 7%, compared to the three months ended June 30, 2020. Other Revenue, net, for the three months ended June 30, 2021 increased 2% versus the three months ended June 30, 2020, primarily driven by the gain on the redemption of the G5 debt security in the second quarter of 2021, partially offset by lower performance of our investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program.

Operating Expenses were $468.2 million for the three months ended June 30, 2021, compared to $399.5 million for the three months ended June 30, 2020, an increase of $68.7 million, or 17%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $398.2 million for the three months ended June 30, 2021, compared to $325.7 million for the three months ended June 30, 2020, an increase of $72.5 million, or 22%. The increase in the amount of compensation recognized for the three months ended June 30, 2021 principally reflects higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries. Non-Compensation expenses, as a component of Operating Expenses, were $70.0 million for the three months ended June 30, 2021, compared to $73.8 million for the three months ended June 30, 2020, a decrease of $3.8 million, or 5%. Non-Compensation operating expenses decreased from the three months ended June 30, 2020 primarily driven by a decrease in bad debt expense, partially offset by an increase in professional fees.

Other Expenses of $9.2 million for the three months ended June 30, 2020 included (a) Special Charges, Including Business Realignment Costs, of $8.6 million related to separation and transition benefits and related costs and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives, (b) intangible asset amortization of $0.5 million and (c) Acquisition and Transition Costs of $0.1 million.

Six Months Ended June 30, 2021 versus June 30, 2020

Investment Banking Net Revenues were $1.32 billion for the six months ended June 30, 2021, compared to $909.0 million for the six months ended June 30, 2020, an increase of $409.1 million, or 45%. We earned 418 fees from Advisory clients for the six months ended June 30, 2021, compared to 358 for the six months ended June 30, 2020, representing a 17% increase. We earned 218 fees in excess of $1.0 million for the six months ended June 30, 2021, compared to 150 for the six months ended June 30, 2020, representing a 45% increase. The increase in revenues from the six months ended June 30, 2020 was primarily driven by an increase of $377.7 million, or 54%, in Advisory Fees, reflecting an increase in the number of Advisory fees earned and an increase in revenue earned from large transactions during the six months ended June 30, 2021. Underwriting Fees increased $12.6 million, or 11%, compared to the six months ended June 30, 2020, reflecting an increase in the number of transactions we participated in, as well as the relative size of our participation in those transactions. Commissions and Related Revenue decreased $5.6 million, or 5%, compared to the six months ended June 30, 2020. Other Revenue, net, for the six months ended June 30, 2021 increased versus the six months ended June 30, 2020, primarily driven by a shift from net losses of $6.8 million for the six months ended June 30, 2020 to gains of $16.0 million for the six months ended June 30, 2021 on our investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program, as well as the gain on the redemption of the G5 debt security in the second quarter of 2021.

Operating Expenses were $924.7 million for the six months ended June 30, 2021, compared to $739.3 million for the six months ended June 30, 2020, an increase of $185.4 million, or 25%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $784.8 million for the six months ended June 30, 2021, compared to $586.6 million for the six months ended June 30, 2020, an increase of $198.2 million, or 34%. The increase in the amount of compensation recognized in the six months ended June 30, 2021 is driven by higher levels of incentive compensation, higher amortization of prior period deferred compensation awards and higher base salaries. Non-compensation expenses, as a component of Operating Expenses, were $139.9 million for the six months ended June 30, 2021, compared to $152.7 million for the six months ended June 30, 2020, a decrease of $12.8 million, or 8%. Non-compensation operating expenses decreased from the six months ended June 30, 2020 primarily driven by decreased travel and related expenses, as a substantial number of employees continued to work remotely in 2021, as well as a decrease in bad debt expense, partially offset by an increase in professional fees.

Other Expenses of $0.01 million for the six months ended June 30, 2021 reflected Acquisition and Transition Costs. Other Expenses of $34.4 million for the six months ended June 30, 2020 included (a) Special Charges, Including Business Realignment Costs, of $32.2 million related to separation and transition benefits and related costs and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives, (b) compensation costs of $1.1 million associated with the vesting of Class J LP Units granted in conjunction with the acquisition of ISI, (c) intangible asset amortization of $1.0 million and (d) Acquisition and Transition Costs of $0.1 million.

Investment Management

The following table summarizes the operating results of the Investment Management segment.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
	(dollars in thousands)					
Revenues						
Asset Management and Administration Fees:						
Wealth Management	$ 16,183	$ 12,632	28 %	$ 31,132	$ 24,960	25 %
Institutional Asset Management[(1)]	—	321	NM	—	740	NM
Asset Management and Administration Fees	16,183	12,953	25 %	31,132	25,700	21 %
Other Revenue, net	862	(1,252)	NM	938	(648)	NM
Net Revenues	17,045	11,701	46 %	32,070	25,052	28 %
Expenses						
Operating Expenses	12,692	11,707	8 %	24,261	24,358	— %
Other Expenses	—	—	NM	—	32	NM
Total Expenses	12,692	11,707	8 %	24,261	24,390	(1 %)
Operating Income (Loss)	4,353	(6)	NM	7,809	662	NM
Income from Equity Method Investments[(2)]	2,845	2,248	27 %	5,700	4,840	18 %
Pre-Tax Income	$ 7,198	$ 2,242	221 %	$ 13,509	$ 5,502	146 %

(1) Prior period includes the ECB business. On July 2, 2020, we sold the trust business of ECB and on December 16, 2020, we sold the remaining ECB business.
(2) Equity in ABS and Atalanta Sosnoff is classified as Income from Equity Method Investments.

Investment Management Results of Operations

Our Investment Management segment includes the following activities:

- Wealth Management – conducted through EWM and ETC. Fee-based revenues from EWM are primarily earned on a percentage of AUM, while ETC primarily earns fees from negotiated trust services.
- Private Equity – conducted through our investment interests in private equity funds. We maintain a limited partner's interest in Glisco II, Glisco III and Glisco IV, as well as Glisco Manager Holdings LP and the general partners of the Glisco Funds. We receive our portion of the management fees earned by Glisco Partners Inc. ("Glisco") from Glisco Manager Holdings LP. We are passive investors and do not participate in the management of any Glisco sponsored funds. We are also passive investors in Trilantic IV, Trilantic V and Trilantic VI. In the event the private equity funds perform below certain thresholds, we may be obligated to repay certain carried interest previously distributed. As of June 30, 2021, $0.8 million of previously distributed carried interest received from the funds was subject to repayment.
- We also hold interests in ABS and Atalanta Sosnoff that are accounted for under the equity method of accounting. The results of these investments are included within Income from Equity Method Investments.

Our historical Investment Management results include the ECB businesses, which were previously included in Institutional Asset Management above. On July 2, 2020, we sold the trust business of ECB and on December 16, 2020, we sold the remaining ECB business.

Assets Under Management

AUM for our Wealth Management business of $11.1 billion at June 30, 2021 increased compared to $10.2 billion at December 31, 2020. The amounts of AUM presented in the table below reflect the fair value of assets which we manage on behalf of Wealth Management clients. As defined in ASC 820, valuations performed for Level 1 investments are based on quoted prices obtained from active markets generated by third parties and Level 2 investments are valued through the use of models based on either direct or indirect observable inputs in the use of models or other valuation methodologies performed by third parties to determine fair value. For both the Level 1 and Level 2 investments, we obtain both active quotes from nationally recognized exchanges and third-party pricing services to determine market or fair value quotes, respectively. For Level 3 investments, pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Wealth Management maintained 75% and 72% of Level 1 investments, 21% and 24% of Level 2 investments and 4% of Level 3 investments as of June 30, 2021 and December 31, 2020, respectively.

The fees that we receive for providing investment advisory and management services are primarily driven by the level and composition of AUM. Accordingly, client flows, market movements, and changes in our product mix will impact the level of management fees we receive from our Wealth Management business. Fees vary with the type of assets managed and the channel in which they are managed, with higher fees earned on equity assets and alternative investment funds, such as hedge funds and private equity funds, and lower fees earned on fixed income and cash management products. Clients will increase or reduce the aggregate amount of AUM that we manage for a number of reasons, including changes in the level of assets that they have available for investment purposes, their overall asset allocation strategy, our relative performance versus competitors offering similar investment products and the quality of our service. The fees we earn are also impacted by our investment performance, as the appreciation or depreciation in the value of the assets that we manage directly impacts our fees.

The following table summarizes AUM activity for the six months ended June 30, 2021:

	Wealth Management(1)
	(dollars in millions)
Balance at December 31, 2020	$ 10,163
Inflows	540
Outflows	(377)
Market Appreciation	808
Balance at June 30, 2021	$ 11,134
Unconsolidated Affiliates - Balance at June 30, 2021:	
Atalanta Sosnoff	$ 8,277
ABS	$ 7,206

(1) Assets Under Management includes Evercore assets which are managed by Evercore Wealth Management of $76.3 million and $76.4 million as of June 30, 2021 and December 31, 2020, respectively.

The following table represents the composition of AUM for Wealth Management as of June 30, 2021:

	Wealth Management
Equities	66 %
Fixed Income	21 %
Liquidity(1)	8 %
Alternatives	5 %
Total	100 %

(1) Includes cash, cash equivalents and U.S. Treasury securities.

Our Wealth Management business serves individuals, families and related institutions delivering customized investment management, financial planning, and trust and custody services. Investment portfolios are tailored to meet the investment objectives of individual clients and reflect a blend of equity, fixed income and other products. Fees charged to clients reflect the composition of the assets managed and the services provided. Investment performance in the Wealth Management businesses is measured against appropriate indices based on the AUM, most frequently the S&P 500 and a composite fixed income index principally reflecting BarCap and MSCI indices.

For the six months ended June 30, 2021, AUM for Wealth Management increased 10%, reflecting an 8% increase due to market appreciation and a 2% increase due to flows. Wealth Management outperformed the S&P 500 on a 1 and 3-year basis by approximately 2% and 3%, respectively, during the period. Wealth Management outperformed the fixed income composite on a

1-year basis by approximately 70 basis points and lagged the fixed income composite on a 3-year basis by approximately 40 basis points, respectively, during the period. For the six months ended June 30, 2021, the S&P 500 was up approximately 15% and the fixed income composite was down approximately 1%.

AUM from our unconsolidated affiliates increased 8% compared to December 31, 2020, primarily related to positive performance in ABS and Atalanta Sosnoff.

Three Months Ended June 30, 2021 versus June 30, 2020

Investment Management Net Revenues were $17.0 million for the three months ended June 30, 2021, compared to $11.7 million for the three months ended June 30, 2020, which represented an increase of 46%. Asset Management and Administration Fees earned from the management of client portfolios increased 25% for the three months ended June 30, 2021, primarily driven by an increase of $3.6 million in fees from Wealth Management clients, as associated AUM increased 23%. Fee-based revenues included $0.01 million of revenues from performance fees for the three months ended June 30, 2020. Income from Equity Method Investments increased from the three months ended June 30, 2020, as a result of an increase in earnings from our investments in ABS and Atalanta Sosnoff.

Operating Expenses were $12.7 million for the three months ended June 30, 2021, compared to $11.7 million for the three months ended June 30, 2020, an increase of $1.0 million, or 8%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $9.6 million for the three months ended June 30, 2021, compared to $8.3 million for the three months ended June 30, 2020, an increase of $1.3 million, or 16%. Non-Compensation expenses, as a component of Operating Expenses, were $3.1 million for the three months ended June 30, 2021, compared to $3.4 million for the three months ended June 30, 2020, a decrease of $0.3 million, or 9%.

Six Months Ended June 30, 2021 versus June 30, 2020

Investment Management Net Revenues were $32.1 million for the six months ended June 30, 2021, compared to $25.1 million for the six months ended June 30, 2020, which represented an increase of 28%. Asset Management and Administration Fees earned from the management of client portfolios increased 21% for the six months ended June 30, 2021, primarily driven by an increase of $6.2 million in fees from Wealth Management clients, as associated AUM increased 23%. Fee-based revenues included $0.07 million of revenues from performance fees for the six months ended June 30, 2020. Income from Equity Method Investments increased from the six months ended June 30, 2020, as a result of an increase in earnings from our investments in ABS and Atalanta Sosnoff.

Operating Expenses were $24.3 million for the six months ended June 30, 2021, flat compared to the six months ended June 30, 2020. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $18.3 million for the six months ended June 30, 2021, compared to $17.1 million for the six months ended June 30, 2020, an increase of $1.2 million, or 7%. Non-Compensation expenses, as a component of Operating Expenses, were $6.0 million for the six months ended June 30, 2021, compared to $7.3 million for the six months ended June 30, 2020, a decrease of $1.3 million, or 18%.

Other Expenses of $0.03 million for the six months ended June 30, 2020 included Special Charges, Including Business Realignment Costs, related to separation and transition benefits and related costs.

Cash Flows

Our operating cash flows are primarily influenced by the timing and receipt of investment banking and investment management fees and the payment of operating expenses, including incentive compensation to our employees and interest expense on our repurchase agreements (prior to the sale of our ECB business), Notes Payable and lines of credit, and the payment of income taxes. Investment Banking advisory fees are generally collected within 90 days of billing. However, placement fees may be collected within 180 days of billing, with fees related to private funds capital raising being collected in a period exceeding one year. Commissions earned from our agency trading activities are generally received from our clearing broker within 11 days. Fees from our Wealth Management business (and previously our Institutional Asset Management business, prior to the sale of our ECB business) are generally billed and collected within 90 days. We traditionally pay a substantial portion of incentive compensation to personnel in the Investment Banking business and to executive officers during the first three months of each calendar year with respect to the prior year's results and prior year's deferred compensation. Likewise, payments to fund investments related to hedging our deferred cash compensation plans are generally funded in the first three months of each calendar year. Our investing and financing cash flows are primarily influenced by activities to invest our cash in highly liquid securities or bank certificates of deposit, deploy capital to fund investments and acquisitions, raise capital through the issuance of stock or debt, repurchase of outstanding Class A Shares, and/or noncontrolling interest in Evercore LP, as well as our other subsidiaries, payment of dividends and other periodic distributions to our stakeholders. We generally make dividend payments and other distributions on a quarterly basis. We periodically draw down on our lines of credit to balance the timing of our operating, investing and financing cash flow needs. A summary of our operating, investing and financing cash flows is as follows:

	For the Six Months Ended June 30,	
	2021	2020
	(dollars in thousands)	
Cash Provided By (Used In)		
Operating activities:		
Net income	$ 329,480	$ 106,108
Non-cash charges	221,687	233,773
Other operating activities	(436,709)	(221,111)
Operating activities	114,458	118,770
Investing activities	11,968	483,616
Financing activities	(517,217)	(214,410)
Effect of exchange rate changes	3,558	(6,842)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(387,233)	381,134
Cash, Cash Equivalents and Restricted Cash		
Beginning of Period	838,224	643,886
End of Period	$ 450,991	$ 1,025,020

Six Months Ended June 30, 2021. Cash, Cash Equivalents and Restricted Cash were $451.0 million at June 30, 2021, a decrease of $387.2 million versus Cash, Cash Equivalents and Restricted Cash of $838.2 million at December 31, 2020. Operating activities resulted in a net inflow of $114.5 million, primarily related to earnings, partially offset by the payment of 2020 bonus awards and deferred cash compensation. Cash of $12.0 million was provided by investing activities primarily related to net proceeds from sales and maturities of investment securities and the proceeds from the redemption of the G5 debt security, partially offset by the purchase of certificates of deposit and purchases of equipment and leasehold improvements, primarily related to the expansion of our headquarters in New York. Financing activities during the period used cash of $517.2 million, primarily for purchases of treasury stock and noncontrolling interests, the payment of our Notes Payable and dividends and distributions to noncontrolling interest holders, partially offset by the issuance of the 2021 Private Placement Notes. For further information, see Note 11 to our unaudited condensed consolidated financial statements. Cash is also impacted due to the effect of foreign exchange rate fluctuation when translating non-U.S. currencies to U.S. Dollars.

Six Months Ended June 30, 2020. Cash, Cash Equivalents and Restricted Cash were $1.0 billion at June 30, 2020, an increase of $381.1 million versus Cash, Cash Equivalents and Restricted Cash of $643.9 million at December 31, 2019. Operating activities resulted in a net inflow of $118.8 million, primarily related to earnings, partially offset by the payment of 2019 bonus awards and deferred cash compensation. Cash flows for the first six months of 2020 also reflect the impact of lower tax payments resulting from the deferral of required federal income tax payments pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES" Act). Cash of $483.6 million was provided by investing activities primarily related to net proceeds from sales and maturities of investment securities and the maturity of certificates of deposit, partially offset by purchases of equipment and leasehold improvements, primarily related to the expansion of our headquarters in New York. Financing activities during the period used cash of $214.4 million, primarily for purchases of treasury stock and the payment of dividends and distributions to noncontrolling interest holders. Cash is also impacted due to the effect of foreign exchange rate fluctuation when translating non-U.S. currencies to U.S. Dollars.

Liquidity and Capital Resources

General

Our current assets principally include Cash and Cash Equivalents, Investment Securities and Certificates of Deposit, Accounts Receivable and contract assets, included in Other Current Assets, relating to Investment Banking and Investment

Management revenues. Our current liabilities principally include accrued expenses, accrued liabilities related to improvements in our leased facilities, accrued employee compensation and short-term borrowings. We traditionally have made payments for employee bonus awards and year-end distributions to partners in the first quarter of the year with respect to the prior year's results. In addition, payments in respect of deferred cash compensation arrangements and related investments are also made in the first quarter. From time to time, advances and/or commitments may also be granted to new employees at or near the date they begin employment, or to existing employees for the purpose of incentive or retention. Cash distributions related to partnership tax allocations are made to the partners of Evercore LP and certain other entities in accordance with our corporate estimated payment calendar; these payments are made prior to the end of each calendar quarter. In addition, dividends on Class A Shares, and related distributions to partners of Evercore LP, are paid when and if declared by the Board of Directors, which is generally quarterly.

We regularly monitor our liquidity position, including cash, other significant working capital, current assets and liabilities, long-term liabilities, lease commitments and related fixed assets, principal investment commitments related to our Investment Management business, dividends on Class A Shares, partnership distributions and other capital transactions, as well as other matters relating to liquidity and compliance with regulatory requirements. Our liquidity is highly dependent on our revenue stream from our operations, principally from our Investment Banking business, which is a function of closing transactions and earning success fees, the timing and realization of which is irregular and dependent upon factors that are not subject to our control. Our revenue stream funds the payment of our expenses, including annual bonus payments, a portion of which are guaranteed, deferred compensation arrangements, interest expense on our repurchase agreements (prior to the sale of our ECB business), Notes Payable, lines of credit and other financing arrangements and income taxes. Payments made for income taxes may be reduced by deductions taken for the increase in tax basis of our investment in Evercore LP. Certain of these tax deductions, when realized, require payment under our long-term liability, Amounts Due Pursuant to Tax Receivable Agreements. We intend to fund these payments from cash and cash equivalents on hand, principally derived from cash flows from operations. These tax deductions, when realized, will result in cash otherwise required to satisfy tax obligations becoming available for other purposes. Our Management Committee meets regularly to monitor our liquidity and cash positions against our short and long-term obligations, as well as our capital requirements and commitments. The result of this review contributes to management's recommendation to the Board of Directors as to the level of quarterly dividend payments, if any.

As a financial services firm, our businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world. Revenue generated by our advisory activities is related to the number and value of the transactions in which we are involved. In addition, revenue related to our equities business is driven by market volumes and institutional investor trends, such as the trend to passive investment strategies. During periods of unfavorable market or economic conditions, the number and value of M&A transactions, as well as market volumes in equities, generally decrease, and they generally increase during periods of favorable market or economic conditions. Restructuring activity generally is counter-cyclical to M&A activity. In addition, during periods of unfavorable market conditions our Investment Management business may be impacted by reduced equity valuations and generate relatively lower revenue because fees we receive, either directly or through our affiliates, typically are in part based on the market value of underlying publicly-traded securities. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame and in an amount sufficient to match any decreases in revenue relating to changes in market and economic conditions. Likewise, our liquidity may be adversely impacted by our contractual obligations, including lease obligations. Reduced equity valuations resulting from future adverse economic events and/or market conditions may impact our performance and may result in future net redemptions of AUM from our clients, which would generally result in lower revenues and cash flows. These adverse conditions could also have an impact on our goodwill impairment assessment, which is done annually, as of November 30th, or more frequently if circumstances indicate impairment may have occurred.

We assess our equity method investments for impairment annually, or more frequently if circumstances indicate impairment may have occurred. These circumstances could include unfavorable market conditions or the loss of key personnel of the investee.

Treasury and Noncontrolling Interest Repurchases

We periodically repurchase Class A Shares and/or LP Units into Treasury in order to offset the dilutive effect of equity awards granted as compensation (see Note 15 to our unaudited condensed consolidated financial statements for further information.) The amount of cash required for these share repurchases is a function of the mix of equity and deferred cash compensation awarded for the annual bonus awards (see further discussion on deferred compensation under *Other Commitments* below). In addition, we may from time to time, purchase noncontrolling interests in subsidiaries.

On October 23, 2017, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, we were able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Further, on April 27, 2021, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, we are able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Under this share repurchase program, shares may be repurchased from time to time in open market transactions, in privately-negotiated transactions or otherwise. The timing and the actual amount of shares repurchased will depend on a variety of factors, including our liquidity position, legal requirements, price, economic and market conditions and the objective to reduce the dilutive effect of equity awards granted as compensation to employees. This program may be suspended or discontinued at any time and does not have a specified expiration date. During the six months ended June 30, 2021, we repurchased 2,374,027 Class A Shares, at an average cost per share of $132.88, for $315.5 million pursuant to our repurchase program.

In addition, we periodically buy shares into treasury from our employees in order to allow them to satisfy their minimum tax requirements for share deliveries under our share equity plan. During the six months ended June 30, 2021, we repurchased 934,387 Class A Shares, at an average cost per share of $117.02, for $109.3 million primarily related to minimum tax withholding requirements of share deliveries.

The aggregate 3,308,414 Class A Shares repurchased during the six months ended June 30, 2021 were acquired for aggregate purchase consideration of $424.8 million, at an average cost per share of $128.40.

Private Placements

On March 30, 2016, we issued an aggregate $170.0 million of senior notes, including: $38.0 million aggregate principal amount of our 4.88% Series A Notes, $67.0 million aggregate principal amount of our 5.23% Series B Notes, $48.0 million aggregate principal amount of our 5.48% Series C Notes and $17.0 million aggregate principal amount of our 5.58% Series D Notes, pursuant to the 2016 Note Purchase Agreement, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

In March 2021, we repaid the $38.0 million aggregate principal amount of our Series A Notes.

Interest on the 2016 Private Placement Notes is payable semi-annually and the 2016 Private Placement Notes are guaranteed by certain of our domestic subsidiaries. We may, at our option, prepay all, or from time to time any part of, the 2016 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2016 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2016 Private Placement Notes will have the right to require us to prepay the entire unpaid principal amounts held by each holder of the 2016 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2016 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio, a minimum tangible net worth and a minimum interest coverage ratio, and customary events of default. As of June 30, 2021, we were in compliance with all of these covenants.

On August 1, 2019, we issued $175.0 million and £25.0 million of senior unsecured notes through private placement. These notes reflect a weighted average life of 12 years and a weighted average stated interest rate of 4.26%. These notes include: $75.0 million aggregate principal amount of our 4.34% Series E Notes, $60.0 million aggregate principal amount of our 4.44% Series F Notes, $40.0 million aggregate principal amount of our 4.54% Series G Notes and £25.0 million aggregate principal amount of our 3.33% Series H Notes, each of which were issued pursuant to the 2019 Note Purchase Agreement, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2019 Private Placement Notes is payable semi-annually and the 2019 Private Placement Notes are guaranteed by certain of our domestic subsidiaries. We may, at our option, prepay all, or from time to time any part of, the 2019 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2019 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2019 Private Placement Notes will have the right to require us to prepay the entire unpaid principal amounts held by each holder of the 2019 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2019 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default. As of June 30, 2021, we were in compliance with all of these covenants.

On March 29, 2021, we issued an aggregate of $38.0 million of senior notes, comprised of $38.0 million aggregate principal amount of our 1.97% Series I Notes, pursuant to the 2021 Note Purchase Agreement, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2021 Private Placement Notes is payable semi-annually and the 2021 Private Placement Notes are guaranteed by certain of our domestic subsidiaries. We may, at our option, prepay all, or from time to time any part of, the 2021 Private Placement Notes, in an amount not less than 5% of the aggregate principal amount of the 2021 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2021 Private Placement Notes will have the right to require us to prepay the entire unpaid principal amounts held by each holder of the 2021 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2021 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default. As of June 30, 2021, we were in compliance with all of these covenants.

Lines of Credit

On June 24, 2016, East entered into a loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $30.0 million, to be used for working capital and other corporate activities. This facility is secured by East's accounts receivable and the proceeds therefrom, as well as certain assets of EGL, including certain of EGL's accounts receivable. In addition, the agreement contains certain reporting covenants, as well as certain debt covenants that prohibit East and us from incurring other indebtedness, subject to specified exceptions. We and our consolidated subsidiaries were in compliance with these covenants as of June 30, 2021. East amended this facility on October 30, 2020 such that, among other things, the interest rate provisions were modified to LIBOR plus 150 basis points and the maturity date was extended to October 31, 2022.

On July 26, 2019, East entered into an additional loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $20.0 million, to be used for working capital and other corporate activities. This facility is unsecured. In addition, the agreement contains certain reporting requirements and debt covenants consistent with the Existing PNC Facility. We and our consolidated subsidiaries were in compliance with these covenants as of June 30, 2021. On October 30, 2020, East amended this facility such that, among other things, the revolving credit facility has increased to an aggregate principal amount of $30.0 million. Drawings under this facility will bear interest at LIBOR plus 180 basis points and the maturity date was extended to October 31, 2022. East is only permitted to borrow under this facility if there is no undrawn availability under the Existing PNC Facility and must repay indebtedness under this facility prior to repaying indebtedness under the Existing PNC Facility. There have been no drawings under this facility as of June 30, 2021.

In addition, EGL's clearing broker provides temporary funding for the settlement of securities transactions.

Other Commitments

We have a long-term liability, Amounts Due Pursuant to Tax Receivable Agreements, which requires payments to certain Senior Managing Directors. This liability was re-measured following the decrease in income tax rates in the U.S. in 2018 and future years in conjunction with the enactment of the Tax Cuts and Jobs Act on December 22, 2017.

We have made certain capital commitments with respect to our investment activities, which are included in the Contractual Obligations section below.

Pursuant to deferred compensation and deferred consideration arrangements, we are obligated to make cash payments in future periods. Further, we make investments to hedge the economic risk of the return on deferred compensation. For further information see Notes 7 and 15 to our unaudited condensed consolidated financial statements.

Certain of our subsidiaries are regulated entities and are subject to capital requirements. For further information see Note 17 to our unaudited condensed consolidated financial statements.

On July 1, 2018, we entered into a new lease agreement for office space at our headquarters at 55 East 52nd St., New York, New York, and subsequently entered into an amendment to this lease agreement for additional office space, as well as to extend our original commitment, on December 6, 2019. We expect to spend approximately $0.8 million, net of a tenant improvement allowance, to improve the premises under this lease over the next twelve months. Our work at these premises, which was temporarily suspended at the end of the first quarter of 2020 as a result of the COVID-19 pandemic, resumed in June 2020. For further information see Note 9 to our unaudited condensed consolidated financial statements.

Contractual Obligations

For a further discussion of our contractual obligations, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

We had total commitments (not reflected on our Unaudited Condensed Consolidated Statements of Financial Condition) relating to future capital contributions to private equity funds of $10.1 million and $12.0 million as of June 30, 2021 and December 31, 2020, respectively. We expect to fund these commitments with cash flows from operations. We may be required to fund these commitments at any time through June 2028, depending on the timing and level of investments by our private equity funds.

Off-Balance Sheet Arrangements

We do not invest in any off-balance sheet vehicles that provide liquidity, capital resources, market or credit risk support, or engage in any leasing activities that expose us to any liability that is not reflected in our unaudited condensed consolidated financial statements.

Market Risk and Credit Risk

We, in general, are not a capital-intensive organization and as such, are not subject to significant market or credit risks. Nevertheless, we have established procedures to assess both the market and credit risk, as well as specific investment risk, exchange rate risk and credit risk related to receivables.

Market and Investment Risk

We hold equity securities and invest in exchange-traded funds principally as an economic hedge against our deferred compensation program. As of June 30, 2021, the fair value of our investments with these products, based on closing prices, was $141.5 million.

We estimate that a hypothetical 10%, 20% and 30% adverse change in the market value of the investments would have resulted in a decrease in pre-tax income of approximately $14.2 million, $28.3 million and $42.5 million, respectively, for the three months ended June 30, 2021.

In February 2020, we entered into four-month futures contracts on a stock index fund with a notional amount of $38.9 million as an economic hedge against our deferred cash compensation program. These contracts settled in June 2020. In accordance with ASC 815, these contracts were carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. We had net realized gains (losses) of $5.2 million and ($4.0) million for the three and six months ended June 30, 2020, respectively.

Private Equity Funds

Through our principal investments in private equity funds and our ability to earn carried interest from these funds, we face exposure to changes in the estimated fair value of the companies in which these funds invest. Valuations and analysis regarding our investments in Trilantic and Glisco are performed by their respective professionals, and thus we are not involved in determining the fair value for the portfolio companies of such funds.

We estimate that a hypothetical 10% adverse change in the value of the private equity funds would have resulted in a decrease in pre-tax income of approximately $1.8 million for the three months ended June 30, 2021.

Exchange Rate Risk

We have foreign operations, through our subsidiaries and affiliates, primarily in Europe, Asia and Mexico (currently in wind-down), as well as provide services to clients in other jurisdictions, which creates foreign exchange rate risk. We have not entered into any transactions to hedge our exposure to foreign exchange fluctuations in these subsidiaries through the use of derivative instruments or otherwise. An appreciation or depreciation of any of these currencies relative to the U.S. dollar would result in an adverse or beneficial impact to our financial results. A significant portion of our European, Asian and Latin

American revenues and expenses have been, and will continue to be, derived from contracts denominated in foreign currencies (i.e. British Pounds sterling, Euros, Mexican pesos, Brazilian real, among others). Historically, the value of these foreign currencies has fluctuated relative to the U.S. dollar. For the six months ended June 30, 2021, the net impact of the fluctuation of foreign currencies recorded in Other Comprehensive Income (Loss) within the Unaudited Condensed Consolidated Statement of Comprehensive Income was $2.4 million. It is generally not our intention to hedge our foreign currency exposure in these subsidiaries, and we will reevaluate this policy from time to time.

Credit Risks

We maintain cash and cash equivalents, as well as certificates of deposit, with financial institutions with high credit ratings. At times, we may maintain deposits in federally insured financial institutions in excess of federally insured ("FDIC") limits or enter into sweep arrangements where banks will periodically transfer a portion of our excess cash position to a money market fund. However, we believe that we are not exposed to significant credit risk due to the financial position of the depository institutions or investment vehicles in which those deposits are held.

Accounts Receivable consists primarily of advisory fees and expense reimbursements billed to our clients. Other Assets includes long-term receivables from fees related to private funds capital raising. Receivables are reported net of any allowance for doubtful accounts. We maintain an allowance for doubtful accounts to provide coverage for probable losses from our customer receivables and determine the adequacy of the allowance by estimating the probability of loss based on our analysis of historical credit loss experience of our client receivables, and taking into consideration current market conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. The Investment Banking and Investment Management receivables collection periods generally are within 90 days of invoice, with the exception of placement fees, which are generally collected within 180 days of invoice, and fees related to private funds capital raising, which are collected in a period exceeding one year. The collection period for restructuring transaction receivables may exceed 90 days. We reversed bad debt expense of approximately $1.8 million for the six months ended June 30, 2021 and recorded bad debt expense of approximately $5.3 million for the six months ended June 30, 2020.

As of June 30, 2021 and December 31, 2020, total receivables recorded in Accounts Receivable amounted to $328.5 million and $368.3 million, respectively, net of an allowance for doubtful accounts, and total receivables recorded in Other Assets amounted to $76.0 million and $71.0 million, respectively.

Other Current Assets and Other Assets include arrangements in which an estimate of variable consideration has been included in the transaction price and thereby recognized as revenue that precedes the contractual due date (contract assets). As of June 30, 2021, total contract assets recorded in Other Current Assets and Other Assets amounted to $54.8 million and $6.7 million, respectively. As of December 31, 2020, total contract assets recorded in Other Current Assets and Other Assets amounted to $29.3 million and $5.3 million, respectively.

With respect to our Investment Securities portfolio, which is comprised primarily of highly-rated corporate and municipal bonds, treasury bills, exchange-traded funds, mutual funds and securities investments, we manage our credit risk exposure by limiting concentration risk and maintaining investment grade credit quality. As of June 30, 2021, we had Investment Securities of $940.4 million, of which 85% were treasury bills.

Critical Accounting Policies and Estimates

The unaudited condensed consolidated financial statements included in this report are prepared in conformity with U.S. GAAP, which requires management to make estimates and assumptions regarding future events that affect the amounts reported in our consolidated financial statements and their notes, including reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We base these estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates. For a discussion of our critical accounting policies and estimates, refer to our Annual Report on Form 10-K for the year ended December 31, 2020.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards and their impact or potential impact on our consolidated financial statements, see Note 3 to our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk and Credit Risk." We do not believe we face any material interest rate risk, foreign currency exchange risk, equity price risk or other market risk except as disclosed in Item 2 " – Market Risk and Credit Risk" above.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Co-Chief Executive Officers and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based upon that evaluation and subject to the foregoing, our Co-Chief Executive Officers and Chief Financial Officer concluded that, as of the end of the period covered by this report, the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Controls Over Financial Reporting

On January 4, 2021, we expanded our enterprise resource planning ("ERP") system to replace certain applications, including our general ledger. As a result, we had enhanced certain existing, and added other, internal controls to align to the system.

We have not made any changes during the three months ended June 30, 2021 that have materially affected, or reasonably affect, our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the normal course of business, from time to time, the Company and its affiliates are involved in judicial or regulatory proceedings, arbitration or mediation concerning matters arising in connection with the conduct of its businesses, including contractual and employment matters. In addition, United Kingdom, German, Hong Kong, Singapore, Canadian, Dubai and United States government agencies and self-regulatory organizations, as well as state securities commissions in the United States, conduct periodic examinations and initiate administrative proceedings regarding the Company's business, including, among other matters, accounting and operational matters, that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer, investment advisor, or its directors, officers or employees. In view of the inherent difficulty of determining whether any loss in connection with such matters is probable and whether the amount of such loss can be reasonably estimated, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, the Company cannot estimate the amount of such loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, the Company believes, based on current knowledge and after consultation with counsel, that it is not currently party to any material pending proceedings, individually or in the aggregate, the resolution of which would have a material effect on the Company. Provisions for losses are established in accordance with ASC 450 when warranted. Once established, such provisions are adjusted when there is more information available or when an event occurs requiring a change.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

2021	Total Number of Shares (or Units) Purchased(1)	Average Price Paid Per Share	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
January 1 to January 31	16,143	$ 80.49	—	3,265,267
February 1 to February 28	1,306,786	117.48	472,899	2,792,368
March 1 to March 31	617,501	129.62	550,335	2,242,033
Total January 1 to March 31	1,940,430	$ 121.03	1,023,234	2,242,033
April 1 to April 30	322,978	$ 137.42	317,224	8,432,105
May 1 to May 31	397,602	144.44	387,290	8,044,815
June 1 to June 30	647,404	136.15	646,279	7,398,536
Total April 1 to June 30	1,367,984	$ 138.86	1,350,793	7,398,536
Total January 1 to June 30	3,308,414	$ 128.40	2,374,027	7,398,536

(1) Includes the repurchase of 917,196 and 17,191 shares in treasury transactions arising from net settlement of equity awards to satisfy minimum tax obligations during the three months ended March 31, 2021 and June 30, 2021, respectively.

(2) On October 23, 2017, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, Evercore was able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Further, on April 27, 2021, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, we are able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Under this share repurchase program, shares may be repurchased from time to time in open market transactions, in privately-negotiated transactions or otherwise. The timing and the actual amount of shares repurchased will depend on a variety of factors,

including legal requirements, price and economic and market conditions. This program may be suspended or discontinued at any time and does not have a specified expiration date.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description
31.1	Certification of the Co-Chief Executive Officer pursuant to Rule 13a-14(a) (filed herewith)
31.2	Certification of the Co-Chief Executive Officer pursuant to Rule 13a-14(a) (filed herewith)
31.3	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) (filed herewith)
32.1	Certification of the Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of the Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.3	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	The following materials from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, are formatted in Inline XBRL: (i) Condensed Consolidated Statements of Financial Condition as of June 30, 2021 and December 31, 2020, (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2021 and 2020, (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2021 and 2020, (iv) Condensed Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2021 and 2020, (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and 2020, and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text including detailed tags
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 is formatted in Inline XBRL (and contained in Exhibit 101)

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

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 thereunto duly authorized.

Date: August 3, 2021

Evercore Inc.

By:	/s/ RALPH SCHLOSSTEIN
Name:	**Ralph Schlosstein**
Title:	**Co-Chief Executive Officer and Co-Chairman**
By:	/s/ JOHN S. WEINBERG
Name:	**John S. Weinberg**
Title:	**Co-Chief Executive Officer and Co-Chairman**
By:	/s/ ROBERT B. WALSH
Name:	**Robert B. Walsh**
Title:	**Chief Financial Officer**

Exhibit 31.1

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Ralph Schlosstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Evercore Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: August 3, 2021

/ s / RALPH SCHLOSSTEIN

Ralph Schlosstein
Co-Chief Executive Officer and Co-Chairman

Exhibit 31.2

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, John S. Weinberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Evercore Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: August 3, 2021

/ s / JOHN S. WEINBERG

John S. Weinberg
Co-Chief Executive Officer and Co-Chairman

Exhibit 31.3

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Robert B. Walsh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Evercore Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: August 3, 2021

/ s /   ROBERT B. WALSH

Robert B. Walsh
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of the Co-Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Evercore Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ralph Schlosstein, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2021

/ s /   RALPH SCHLOSSTEIN

Ralph Schlosstein
Co-Chief Executive Officer and Co-Chairman

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Co-Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Evercore Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John S. Weinberg, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2021

/ s / JOHN S. WEINBERG

John S. Weinberg
Co-Chief Executive Officer and Co-Chairman

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.3

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Evercore Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert B. Walsh, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2021

/ s /   ROBERT B. WALSH

Robert B. Walsh
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.