

The RIA Exchange

A Quarterly RIA
M&A Newsletter

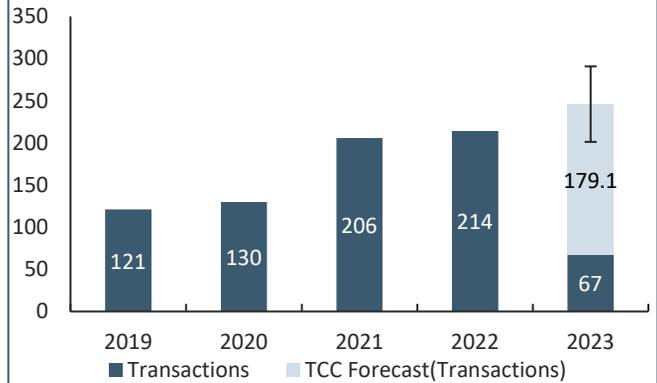
Q1 2023 Registered Investment Advisor M&A Snapshot

In Q1 2023, there were a total of 67 Registered Investment Advisor (“RIA”) M&A transactions. Although January started off slow, the market picked up in February and March, resulting in the most active Q1 on record. Transactions increased by 13.5% compared to the same period in 2022. The trend of decreasing deal size continued, with 60% of the YTD transactions involving firms with less than \$500M in AUM. This is an 8% increase from 2022 and a 24% increase from 2021. Despite global economic instability, this surge in activity suggests that the M&A market for RIAs remains resilient.

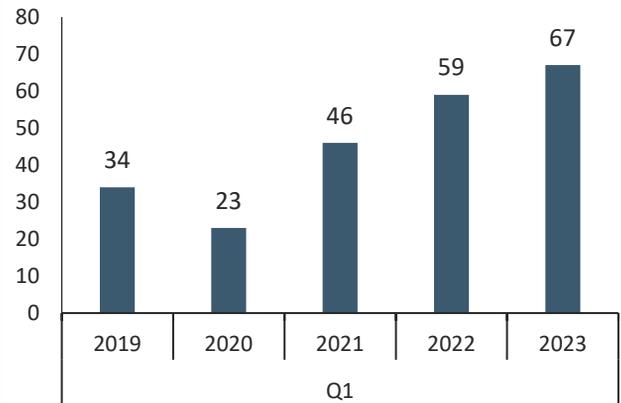
An increasing number of buyers are now seeking to minimize transaction risk and find greater multiple arbitrage value through diversification. The RIA M&A market's recovery in Q1 from Q4 of last year indicates that buyers are more comfortable finalizing transactions in the current economic climate. To meet seller's high valuation expectations that were formed prior to the recent interest rate hikes and market instability, many buyers have modified their deal structures to reach a middle ground.

In conclusion, RIA M&A activity has managed to find a way forward despite the many obstacles of the current macro environment, and TCC anticipates the activity will continue to climb, with the potential to surpass the record levels set in 2022.

RIA Annual Transactions Count



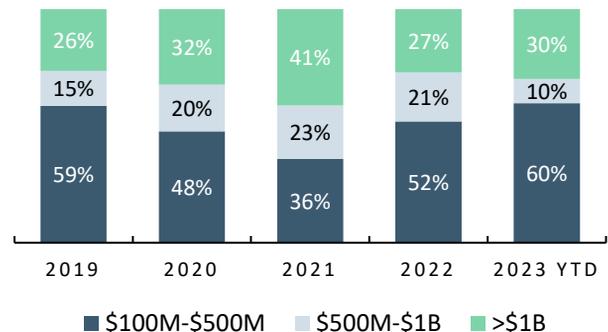
Q1 Transaction Count 2019-2023



Q1'23 Transaction Count by Acquirer Type

	\$100M- \$500M	\$500M- \$1B	>\$1B	Total
Bank	-	-	1	1
Branded Acquirer	22	3	11	36
Large RIA Acquirer	11	2	7	20
Other	1	1	-	2
Strategic	6	1	1	8
Aggregator				
Total	40	7	20	67

Transaction % by Seller AUM



The RIA Exchange

A Quarterly RIA
M&A Newsletter

Bryan Cheverud

Managing Director, RIAs
O: 312.283.0806
C: 312.848.9051
Bryan.Cheverud@thechicagocorp.com

Tom Denison

Managing Director, President & CEO
O: 312.283.0819
C: 312.369.9181
Thomas.Denison@thechicagocorp.com

Phil Clarke

Managing Director, CFO
O: 312.283.0803
C: 312.543.8101
Philip.Clarke@thechicagocorp.com

Andrew Witik

Senior Associate
O: 312.283.0829
C: 630.824.8022
Andrew.Witik@thechicagocorp.com

Nolan Bertog

Analyst
O: 312.283.0809
C: 847.337.3956
Nolan.Bertog@thechicagocorp.com

TCC Corporate Finance Services for Registered Investment Advisors

TCC provides comprehensive M&A and valuation services to Registered Investment Advisors (“RIAs”), helping them to maximize the value of their business. RIAs are increasingly in need of M&A and valuation services for a variety of reasons including buying, selling, restructuring and growth strategies. TCC’s services help you make informed decisions about your business. We understand the unique challenges that RIAs face which allows us to provide comprehensive solutions that are tailored to the specific needs of each client.

Mergers & Acquisitions and Valuations Advisory

➤ Sell-Side Advisory

We provide comprehensive support from start to finish, from preparing marketing materials and finding the right buyer to negotiating the best deal and guiding you through due diligence.

➤ Valuation Services

Whether your firm needs a valuation performed for a merger, acquisition, succession planning or personal reasons, our experienced team can provide accurate and reliable valuation services for your RIA.

➤ Buy-Side Advisory

Purchasing a firm is a big decision that requires a large time commitment. We help you navigate your transaction by aiding in financial modeling, deal structuring and contract negotiation.

➤ Merger Advisory

TCC's merger support service works in close collaboration with all stakeholders to transform transactional mergers into successful strategic partnerships.

Business Planning and Consulting Services

➤ Succession Planning

We will work with you to create a comprehensive plan that will ensure your business continues to thrive even after you are ready to ease out.

➤ Capital Solutions

If you are looking for financing to fund acquisitions or your succession plan, we can guide you in finding the right solution.

➤ Exit Planning

Maximize your firm’s value as you prepare for a transaction by utilizing our framework for tracking KPIs with industry benchmarks and tailored advice.

➤ Merger & Acquisition Strategy & Search

TCC can assist in developing an M&A strategy and executing a focused search for acquisition targets.

Why The Chicago Corporation

➤ Industry Expertise

Our team understands the RIA industry and how to best position your firm to exceed your transaction goals and maximize value.

➤ Culture

Clients come first. TCC looks to build long-term client relationships – not transaction driven.

➤ Personal Attention

Two Managing Directors are involved in every engagement.

➤ Deal Experience

Proven track record of successfully closing transactions and exceeding client expectations.

➤ Customized Solutions

Every business owner's situation is different; we work with each client to develop optimal solutions for them.

➤ Excellence

Goal to exceed client expectations by providing best-in class, unbiased advice.

The RIA Exchange

A Quarterly RIA
M&A Newsletter

About Bryan, RIA Industry Specialist



Bryan Cheverud

Managing Director, RIAs
O: 312.283.0806
C: 312.848.9051
Bryan.Cheverud@thechicagocorp.com

Bryan is a Managing Director at The Chicago Corporation with a focus on providing M&A advice and valuation services for registered investment advisors.

Bryan is a seasoned financial services professional, with extensive experience in M&A. His past roles at The Mather Group, LLC (2018-2022), PriceWaterhouseCoopers, LLP (2011-2018), and Sidell & Kodjayan PC (2009-2010) have enabled him to develop a strong background in consulting, quantitative analysis, financial modeling, valuation, due diligence, and M&A integration. As Director of M&A at The Mather Group, an independent, fee-only registered investment advisor, he contributed to the completion of over 20 transactions, helping the firm expand its national footprint and achieve significant AUM growth.

He holds a Master of Science in Accounting from Loyola University Chicago, a Bachelor of Business Administration in Accounting from the same university and is a Certified Public Accountant (CPA).

Firm Overview

The Chicago Corporation ("TCC") is a Chicago-based investment bank with an experienced team providing best-in-class investment banking advisory and transactional services to middle market companies owned by entrepreneurs, families and financial sponsors with up to \$300M in revenue. The firm's expertise supports clients considering growth, a change in capital structure, ownership transition or a liquidity event.

Broad Industry Experience



Services

Mergers & Acquisitions Advisory

- Valuations
- Sale of Companies
- Acquisitions
- Corporate divestitures/Spin-offs
- Leveraged buyouts, Rollups and Recapitalizations

Private Capital Raising

- Senior debt
- Junior debt
- Convertible securities
- Preferred equity
- Common equity

Strategic and Financial Advisory

- Strategic alternatives analysis
- Transaction preparation
- Capital structure analysis
- Shareholder liquidity alternatives

Bryan Cheverud

Managing Director, RIAs
O: 312.283.0806
C: 312.848.9051
Bryan.Cheverud@thechicagocorp.com

Tom Denison

Managing Director, President & CEO
O: 312.283.0819
C: 312.369.9181
Thomas.Denison@thechicagocorp.com

Phil Clarke

Managing Director, CFO
O: 312.283.0803
C: 312.543.8101
Philip.Clarke@thechicagocorp.com

Andrew Witik

Senior Associate
O: 312.283.0829
C: 630.824.8022
Andrew.Witik@thechicagocorp.com

Nolan Bertog

Analyst
O: 312.283.0809
C: 847.337.3956
Nolan.Bertog@thechicagocorp.com

The Exchange is a quarterly newsletter published by The Chicago Corporation. To subscribe, please visit, www.thechicagocorp.com.

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of The Chicago Corporation, or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise.

Sources include Fidelity.com, PitchBook, and various publicly available news publications.

Additional information is available upon request.