

# The RIA Exchange

A Quarterly RIA  
Industry M&A  
Newsletter

## Q2 2023 Registered Investment Advisor M&A Snapshot

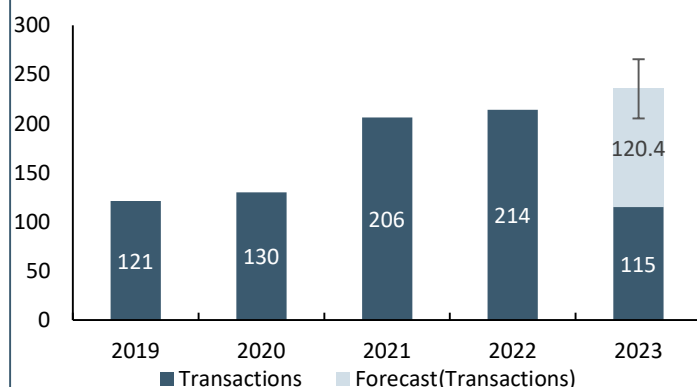
In Q2 of 2023, there were 47 Registered Investment Advisor (“RIA”) M&A transactions, bringing the year-to-date total to 115. Although this Q2 figure fell short of the benchmark set in 2022, the overall YTD transactions still are only short 6 transactions from the pace of the previous year.

I anticipate this trend to persist and gain strength, fueled by sellers who had previously stepped back when markets and revenues experienced a dip in 2022. With the S&P returning to levels not seen since Q4 of 2021, confidence is growing. Although rising interest rates have led some buyers to be more cautious, others have entered the market with fresh capital to seize opportunities. As a result, the demand for RIAs has remained steady in contrast to the broader North America M&A market, which witnessed a significant 31% decline in deal count during the first half of 2023 compared to the same period in 2022.

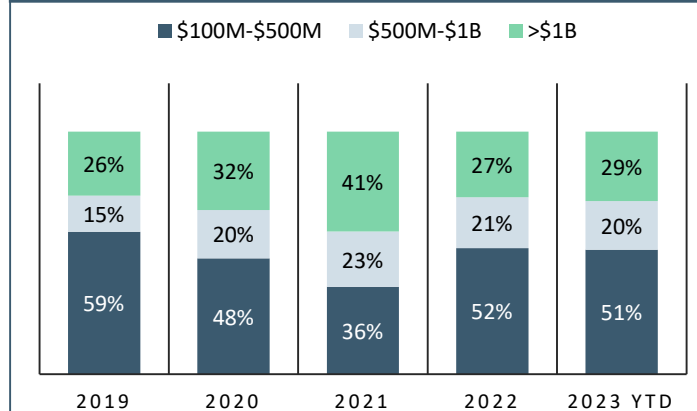
For potential sellers, this means there are still buyers actively seeking to acquire firms. In the current market landscape, buyers are increasingly shifting risk to sellers by utilizing equity and deferring payments by using deal structure that include Client Retention and Earn-Outs. Considering this, conducting thorough reverse due diligence on prospective buyers becomes more crucial than ever, with emphasis on the buyers' credit profile and the quality of equity they offer when evaluating offers.

When contemplating the sale of your firm and ensuring a lasting home for your clients, making a fully informed decision is essential, but you don't have to handle it all by yourself. Engaging with an investment banker, such as TCC, to oversee the sales process will not only assist you in finding the right partner at a competitive price but also provide support and expertise in comparing various deal structures, negotiating non-financial terms, and conducting reverse due diligence on the buyer.

### RIA Annual Transactions Count



### Transaction % by Seller AUM



### Q2'23 Transaction Count by Acquirer Type

	\$100M-\$500M	\$500M-\$1B	>\$1B	Total
Bank	-	-	-	-
Branded Acquirer	15	10	10	35
Large RIA Acquirer	3	3	5	11
Other	-	-	-	-
Strategic Aggregator	1	-	-	1
<b>Total</b>	<b>19</b>	<b>13</b>	<b>15</b>	<b>47</b>



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**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.

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

### 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

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