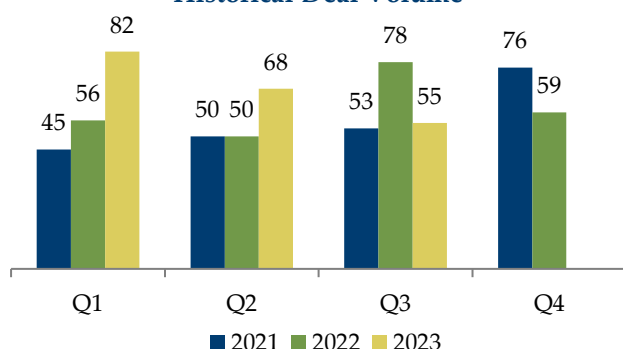


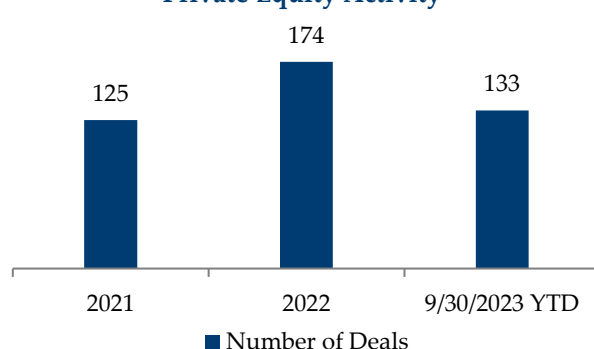
Market Commentary

- In 2023 M&A has been a focal point of growth across the industry. We noted 205 total transactions announced in the first three quarters representing roughly a 10 percent increase compared to Q3 2022.
- The RIA industry continues to see support from private equity. Nearly 65 percent of transactions involved a private equity firm, or a private equity backed buyer. Traditional majority transactions remain frequent, but we continue to see a rise in minority equity transactions.
- There has been a more consistent flow of transaction volume this year with an average of 22.8 transactions announced per month. The highest frequency of deal announcements was in March (33) and the lowest was in September (10).
- We continue to see the number of transactions annually grow with new buyers coming to market looking to compete with top firms in the wealth management space. This makes the RIA sector unique in that there is a growing number of potential partners and deal structures for owners looking to execute on an external succession plan.
- RIAs continue to be valued at high multiples with the consistent presence of private equity along with a growing number of buyers and declining number of sellers creating scarcity value.
- Consolidators in the RIA space continue to show confidence in the market. We expect to see deal volume in the fourth quarter remain consistent with the prior two years. We project over 270 transactions to be announced by year end.

Historical Deal Volume



Private Equity Activity



Notable Transactions

Goldman Sachs announced a significant investment of over \$1 billion in World Insurance Associates LLC, owner of Pensionmark Financial Group, LLC, a retirement plan consultant and financial advisor with over \$26 billion in AUM.⁽¹⁾

Announcement Date	Acquirer	Target	Target AUM (\$MM)
09/29/23	Waverly Advisors, LLC	SoundPath Investment Advisors, LLC	747
09/26/23	Wealthspire Advisors LLC	GM Advisory Group, Inc.	3,000
09/11/23	Cetera Financial Group	Avantax, Inc. (NASDAQ: AVTA)	83,800
08/28/23	Creative Planning, LLC	Goldman Sachs Personal Financial Management	29,000
08/02/23	Mercer Global Advisors Inc.	Steward Wealth Management, LLC	680
08/01/23	Corient Private Wealth, LLC	La Ferla Group LLC	327
08/01/23	Merchant Investment Management, LLC	Morgan Dempsey Capital Management, LLC	600
08/01/23	Corient Private Wealth LLC	Intercontinental Wealth Advisors, LLC	1,755
07/24/23	Rithm Capital Corp. (NYSE: RITM)	Sculptor Capital Management, Inc. (NYSE:SCU)	32,800
07/14/23	The Wealth Consulting Group	V Wealth Advisors LLC	2,000
07/12/23	CAPTRUST	Southern Wealth Management, LLP	2,336

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Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset & wealth management industries.