

Welcome to Chicago Partners

An Introduction to the Capability & Continuity of Your Advisory Team

October 8th, 2024

Today's Speakers:



Steve Nelson
Partner



Jim Hagedorn, CFA
Founder & Managing Partner



Matthew Grennell, J.D.
Partner & General Counsel



Patrick Wade, CFA
Senior Wealth Advisor



Jim Palermo, CFA, CAIA, CFP®, CEPA
Partner

Today's Agenda

- Upcoming Transition: Capability & Continuity
- Chicago Partners History
- The Chicago Partners Team
- Our Approach to Wealth Management: The 5-Step Wealth Optimization Process & The 4-Quadrant Approach
 - Equity
 - Fixed Income
 - Alternative Investments: The Chicago Partners Special Assets Fund
- Client Experience: eMoney & The Chicago Partners Portal
- FAQ



Matthew Grennell, J.D.
Wealth Advisor



Upcoming Transition: Capability & Continuity

A Long-Term Solution



Steve Nelson
Partner



About the Transition: Capability & Continuity

Capabilities

- Breadth of Chicago Partners team and resources to focus on wealth optimization
 - Portfolio construction
 - Innovative, low cost and tax efficient public equity and fixed income strategies
 - Diverse and strong menu of private investments, including some with very favorable cost and tax features
- Benefit of working with an experienced investment committee to share ideas and perspectives
- Technology – for portfolio management, managing investment costs and tax efficiency, and client reporting
- Close partnerships with tax advisory and estate planning firms

Continuity

- Chicago Partners is an excellent match for EJM Wealth Management clients for the long-term
 - People, breadth of the organization, and client service
 - Investment philosophy and approach
 - Focus on innovative investment ideas in a rapidly changing market and economy



Steve Nelson
Partner



About Chicago Partners

Optimizing Wealth Since 2002



Jim Hagedorn, CFA
Founder & Managing Partner



About Chicago Partners: **How We Started**



Jim Hagedorn and Anthony Halpin started building the investment advisory business inside of PricewaterhouseCoopers (PwC).

Purchased the business and founded Chicago Partners Wealth Advisors.



Jim Hagedorn, CFA
Founder & Managing Partner

About Chicago Partners: **Where We Are Now**

2,300+

Clients

\$5.5B

Assets Under Management

99.9%

Client Retention

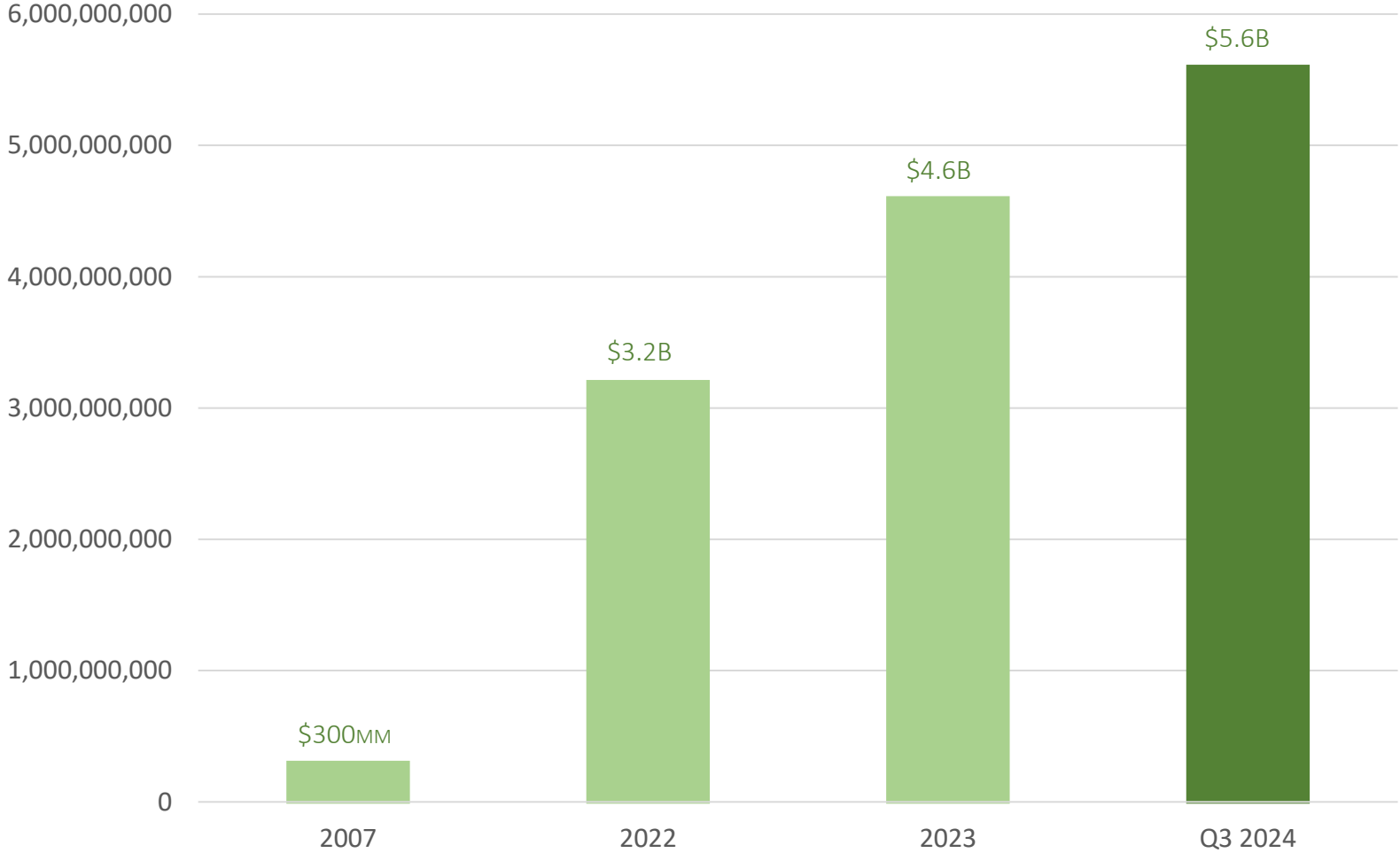
55+

Professionals



Jim Hagedorn, CFA
Founder & Managing Partner

About Chicago Partners: Our AUM Growth



Jim Hagedorn, CFA
Founder & Managing Partner



About Chicago Partners: Schwab Advisor Network



Independent Audit



Exclusive Network



Recognized Excellence

There are approx. 15,400 RIAs registered with the SEC as of 2023. Only 146 are in the Schwab Advisor Network, making us a part of the 1%.

Source: Charles Schwab, 2024; InvestmentNews, 2024



Jim Hagedorn, CFA
Founder & Managing Partner



About Chicago Partners: Team Credentials

10

Chartered Financial Analysts
(CFA)

10

Certified Financial Planners
(CFP®)

3

Licensed Attorneys (J.D.)

3

Chartered Alternative
Investment Analysts
(CAIA)



Jim Hagedorn, CFA
Founder & Managing Partner



Our Approach to Wealth Management

The 5-Step Wealth Optimization Process



Jim Hagedorn, CFA
Founder & Managing Partner



The 5-Step Process: A Blueprint for Optimizing Wealth

Relentlessly Focused on Optimizing Your Wealth

Portfolio Audit	Investment Management	Tax Planning & Preparation	Advanced Financial Planning	Private Client Services
<ul style="list-style-type: none"> • Reduced Expense Ratios • Low-Cost Advisory Fee • Minimized Trading Costs • Minimized Portfolio Turnover • Eliminated Cash Drag • Optimized Asset Location & Allocation • Optimized Portfolio Yield • Optimized Portfolio Diversification • Volatility Tax Mitigation 	<ul style="list-style-type: none"> • Direct Indexing 1.0 • Direct Indexing 2.0 • Custom-Built Portfolios • Portfolio Rebalancing • Cost-Effective Implementation • Dividend Reinvestment Program (DRIP) • Global Diversification (12+ Asset Classes) 	<ul style="list-style-type: none"> • Tax Return X-Ray • Gain Realization Deferral • Tax Analysis & Minimization • Tax-Loss Harvesting • Tax Reporting Package • Intelligent Withdrawal Sourcing • Individual State Tax Credits • Strategic Partnerships for Comprehensive Tax Preparation • Qualified Opportunity Zone (QOZ) Investments 	<ul style="list-style-type: none"> • Comprehensive Financial Audit • Wealth Management Systems (WMS) • Synthetic Pension Creation • Financial Plan Creation & Implementation: <ul style="list-style-type: none"> • Cash Flow/Retirement Plan • Education Plan • Estate Plan • Insurance Plan • Charitable Giving Plan • Mega Backdoor Roth Conversion Strategy 	<ul style="list-style-type: none"> • Access to Low-Cost Lending Solutions • Asset Transfers & Oversight • Family Office Caliber Performance Reporting • Dedicated Team & Personalized Support • Coordination with Outside Professionals • Quarterly Interactive Webinars • Chicago Partners Portal (App Store & Google Play)



Matthew Grennell, J.D.
Wealth Advisor



The 4-Quadrant Approach

Our Investment Philosophy



Jim Hagedorn, CFA
Founder & Managing Partner



The 4-Quadrant **Equity** Approach

Direct Indexing 1.0

*Individual Equities
Zero Cost*

Direct Indexing 2.0

*Individual Equities
Zero Cost*

Index & Enhanced Funds

*ETFs & Low-Cost Funds
Extremely Low Cost*

Risk Mitigation Funds

*ETFs, Funds, & Individual Equities
Low Cost & Zero Cost*



Jim Hagedorn, CFA
Founder & Managing Partner



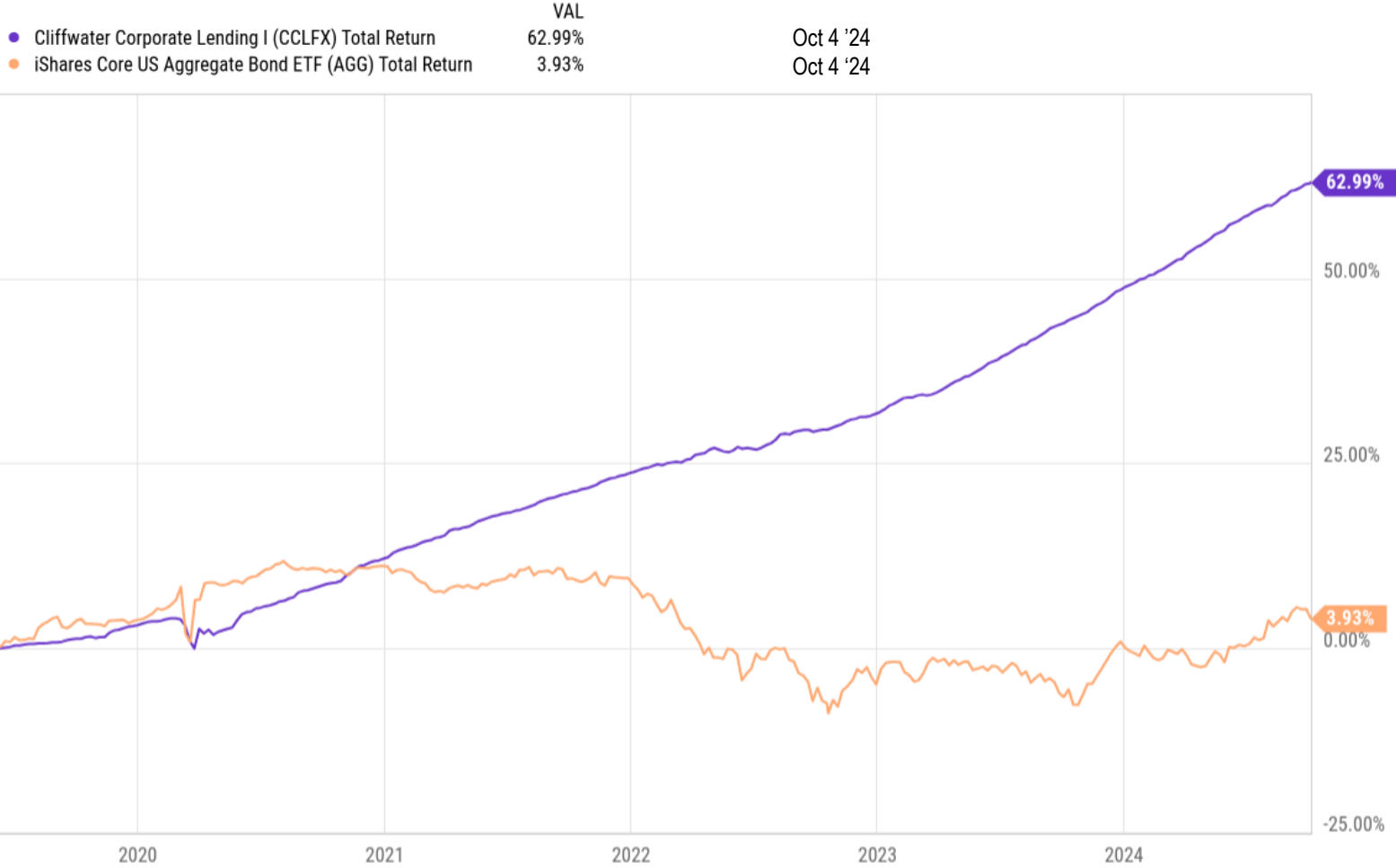
The 4-Quadrant **Fixed Income** Approach



Jim Hagedorn, CFA
Founder & Managing Partner



The 4-Quadrant Fixed Income Approach: Private Credit



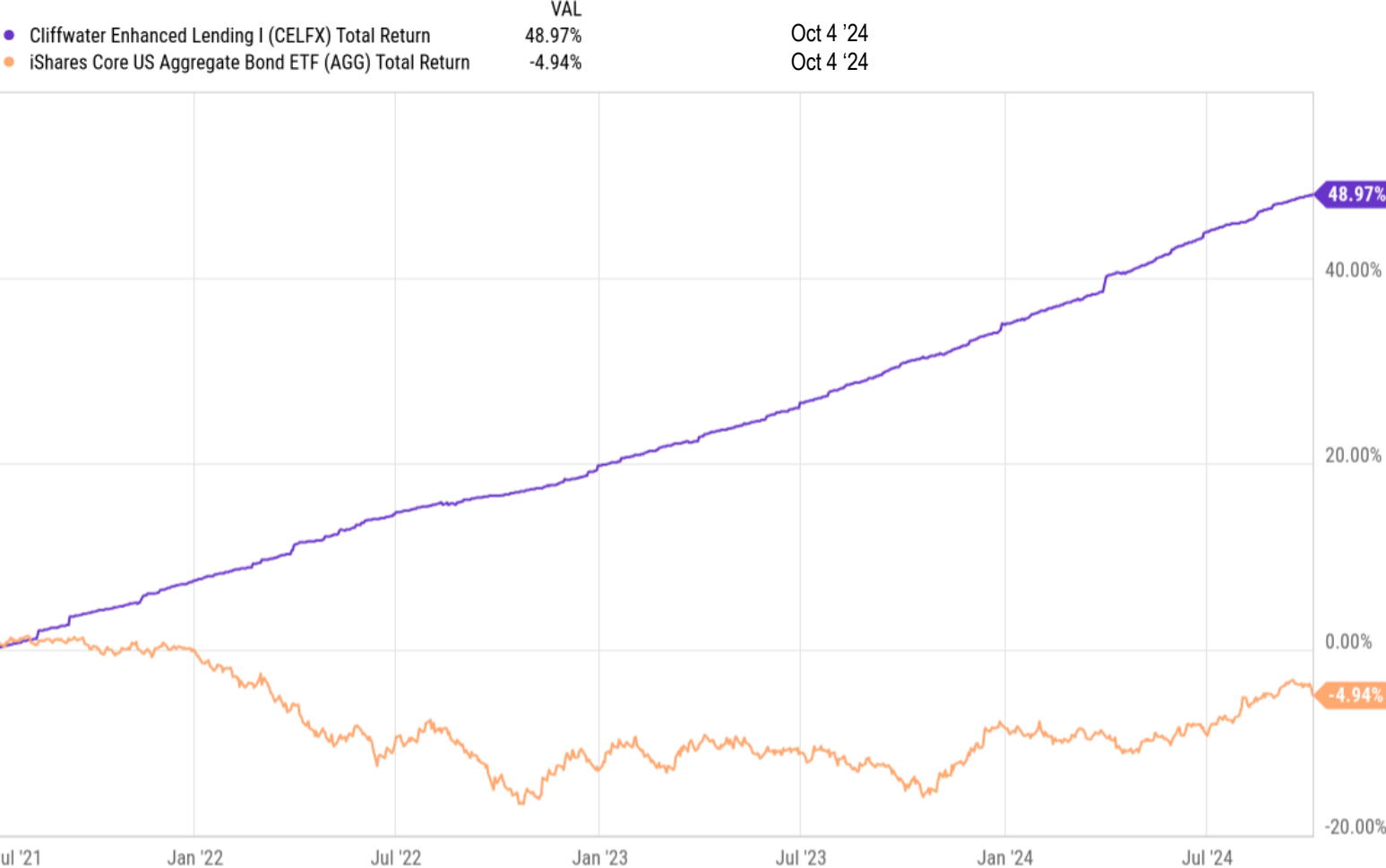
Cliffwater Corporate Lending (CCLFX) versus the Bloomberg Barclays Bond Index (AGG) since inception



Jim Hagedorn, CFA
 Founder & Managing Partner



The 4-Quadrant Fixed Income Approach: Private Credit



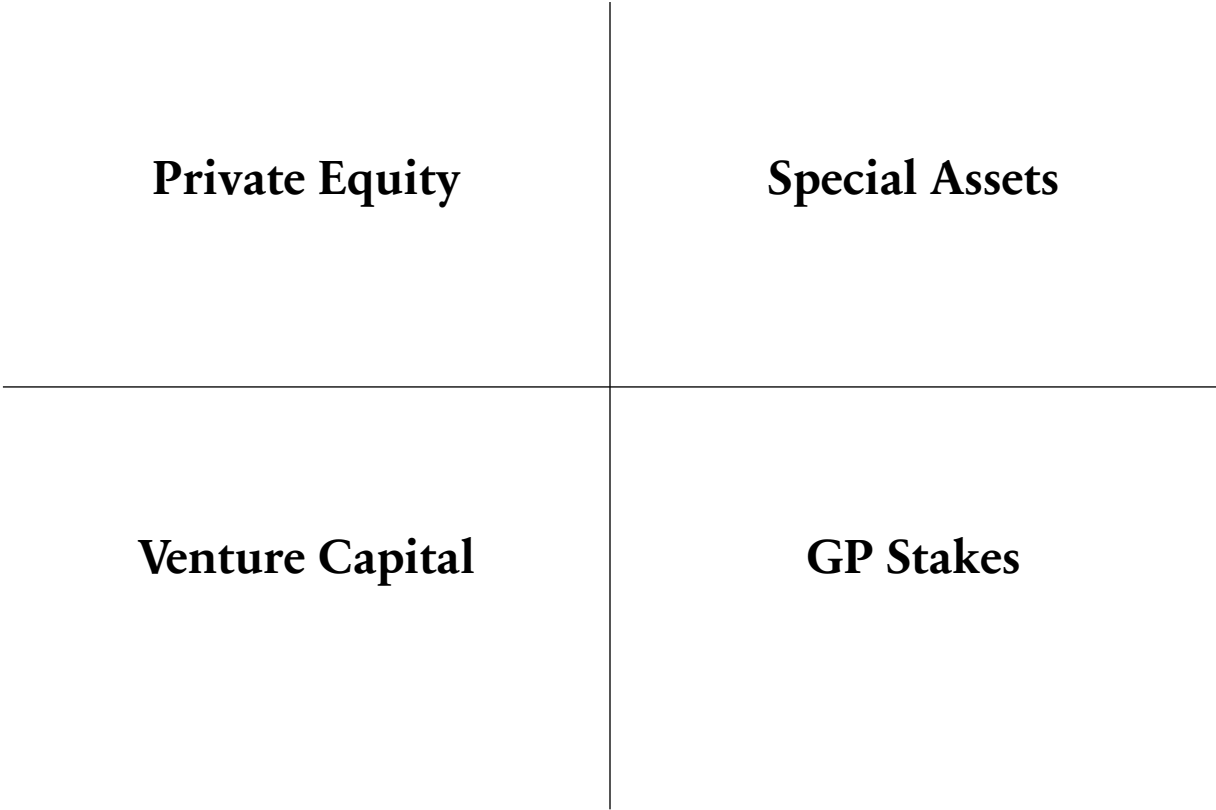
Cliffwater Enhanced Lending (CELFX) versus the Bloomberg Barclays Bond Index (AGG) since inception



Jim Hagedorn, CFA
 Founder & Managing Partner



The 4-Quadrant **Alternative Investments** Approach



Jim Hagedorn, CFA
Founder & Managing Partner



Private Markets: Total Returns

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2005 - 2023 return (ann.)	2005 - 2023 return std dev (ann.)	
Highest return	32.0%	33.8%	19.3%	5.2%	58.1%	23.0%	10.7%	16.8%	32.4%	13.8%	10.3%	17.5%	27.2%	12.3%	31.5%	29.1%	41.8%	8.4%	26.3%	14.8%	9.6%	Private Equity
	26.4%	32.2%	18.3%	-6.5%	41.4%	15.8%	9.7%	16.0%	23.5%	13.7%	10.3%	12.3%	21.8%	8.5%	21.5%	18.4%	28.7%	6.3%	15.6%	9.6%	16.2%	US Large-Cap Equities
	16.6%	27.7%	17.1%	-13.0%	26.5%	15.1%	9.2%	15.5%	15.3%	13.4%	6.9%	12.0%	20.5%	8.1%	19.3%	15.4%	25.4%	2.9%	15.3%	9.5%	3.5%	US Private Debt
	11.5%	26.7%	16.7%	-19.0%	23.3%	15.1%	7.8%	14.6%	14.8%	9.6%	5.5%	11.2%	19.1%	7.3%	18.5%	14.3%	15.7%	-4.1%	13.5%	9.2%	8.1%	Global Private Infrastructure
	10.1%	17.2%	11.7%	-23.1%	20.0%	15.1%	4.4%	14.0%	13.8%	7.1%	2.0%	9.1%	15.5%	0.0%	17.5%	11.8%	14.4%	-4.2%	12.9%	7.8%	8.9%	Hypothetical Diversified Portfolio
↕	9.3%	15.8%	10.2%	-24.6%	18.0%	13.3%	4.3%	11.9%	12.7%	6.0%	1.4%	7.3%	15.4%	-0.7%	14.4%	11.4%	12.8%	-11.2%	12.1%	7.5%	10.0%	Global Private Real Estate
	7.7%	14.2%	10.0%	-25.3%	14.5%	11.2%	2.6%	11.5%	12.4%	5.8%	0.6%	6.9%	14.6%	-2.3%	10.4%	10.7%	10.2%	-11.2%	9.3%	6.2%	10.6%	US High Yield Bonds
Lowest return	7.5%	13.7%	9.9%	-26.1%	13.2%	10.8%	2.1%	10.1%	9.7%	4.9%	-1.0%	5.8%	8.6%	-4.4%	9.3%	7.5%	10.2%	-13.0%	8.5%	5.9%	10.7%	Hypothetical Traditional Portfolio
	4.9%	12.9%	7.0%	-32.7%	5.9%	10.2%	-0.9%	9.9%	9.1%	3.0%	-1.1%	5.4%	8.6%	-4.7%	9.1%	6.1%	7.8%	-16.0%	8.1%	4.9%	7.7%	Hedge Funds
	2.8%	10.8%	5.5%	-37.0%	1.1%	10.2%	-5.3%	6.4%	7.4%	2.5%	-4.6%	4.5%	7.5%	-5.5%	9.0%	5.5%	5.3%	-16.1%	5.5%	4.9%	18.8%	International Equities
	2.4%	4.3%	2.5%	-45.5%	-22.9%	6.5%	-13.7%	4.2%	-2.0%	-3.9%	-5.7%	2.6%	3.5%	-14.2%	8.7%	1.8%	-1.5%	-18.1%	-4.0%	3.1%	4.4%	US Bonds

Key	US large-cap equities	International equities	US bonds	US high yield bonds	Hedge funds	60% global equities / 40% US bonds		Hypothetical Traditional Portfolio
	Global private infrastructure	US private equity	US private debt	Global private real estate	40% global equities / 30% US bonds / 30% privates			Hypothetical Diversified Portfolio

Source: Bloomberg, Cambridge Associates, UBS, as of 31 December 2023



Jim Hagedorn, CFA
 Founder & Managing Partner

The Chicago Partners Special Assets Fund

For Qualified Purchasers (QP)



Jim Hagedorn, CFA
Founder & Managing Partner



Chicago Partners Special Assets Fund: **Investor Benefits**



Customized Allocation

While there are many private funds inside the Special Assets Fund, you can customize your investment to allocate capital only to the funds you're interested in, giving you full control over how you invest into private funds.



Reduced Minimums & Reduced Fees

An investment in the Special Assets Fund connects you with other qualified investors, lowering the minimum investment amount in each fund and improving your ability to access funds.



Easy Enrollment Process

Skip the hassle of filling out dozens of forms. Enrolling in the Special Assets Fund requires one form, saving you the time and headache that comes with subscribing to multiple private investments.



Simplified Tax Reporting

Investing in multiple private investment used to mean multiple K-1 forms. With the Special Assets Fund, investments are consolidated, meaning you only receive a single K-1 at tax season.

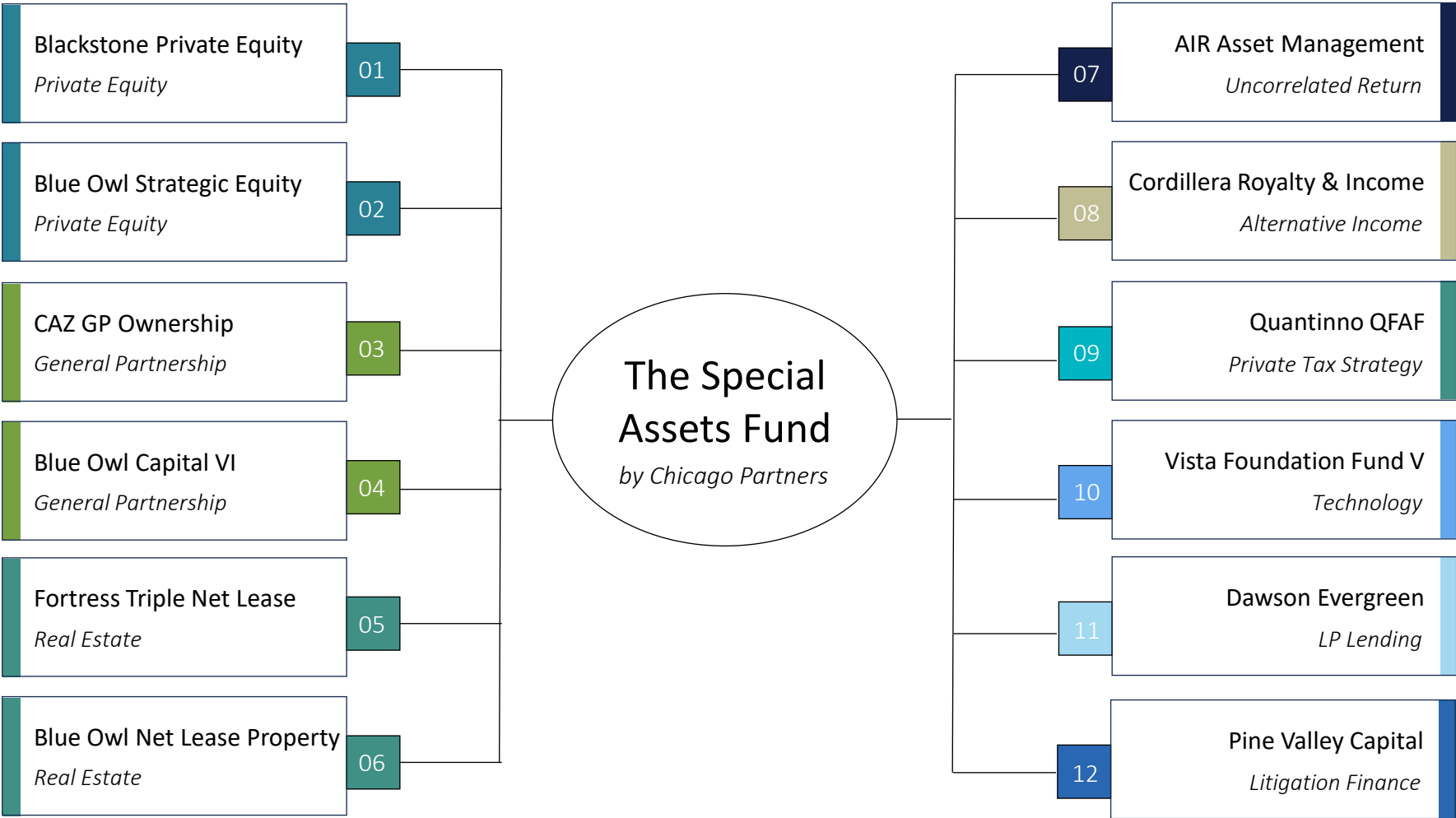


Jim Hagedorn, CFA

Founder & Managing Partner



The Chicago Partners Special Assets Fund: **Lineup**



Jim Hagedorn, CFA
Founder & Managing Partner



Blue Owl (GP Stakes) Capital VI

Our investment approach

Blue Owl's GP Strategic Capital platform, formerly known as Dyal Capital, is a leading capital solutions provider to large private markets managers

What is a GP stakes investment?

A GP stakes investment is a transaction where an investor acquires a minority interest in an alternative asset manager (the General Partner or "GP"). Minority investments are typically structured as an equity investment, a preferred or otherwise structured equity investment, or a revenue share.

Who typically sells a GP stake to Blue Owl?

Large, institutional private capital managers across the private capital universe buy-out, venture capital, growth equity, distressed debt, infrastructure, private credit, energy, real estate and other strategies



We partner with large alternative asset managers



Representative of select Partner Managers.



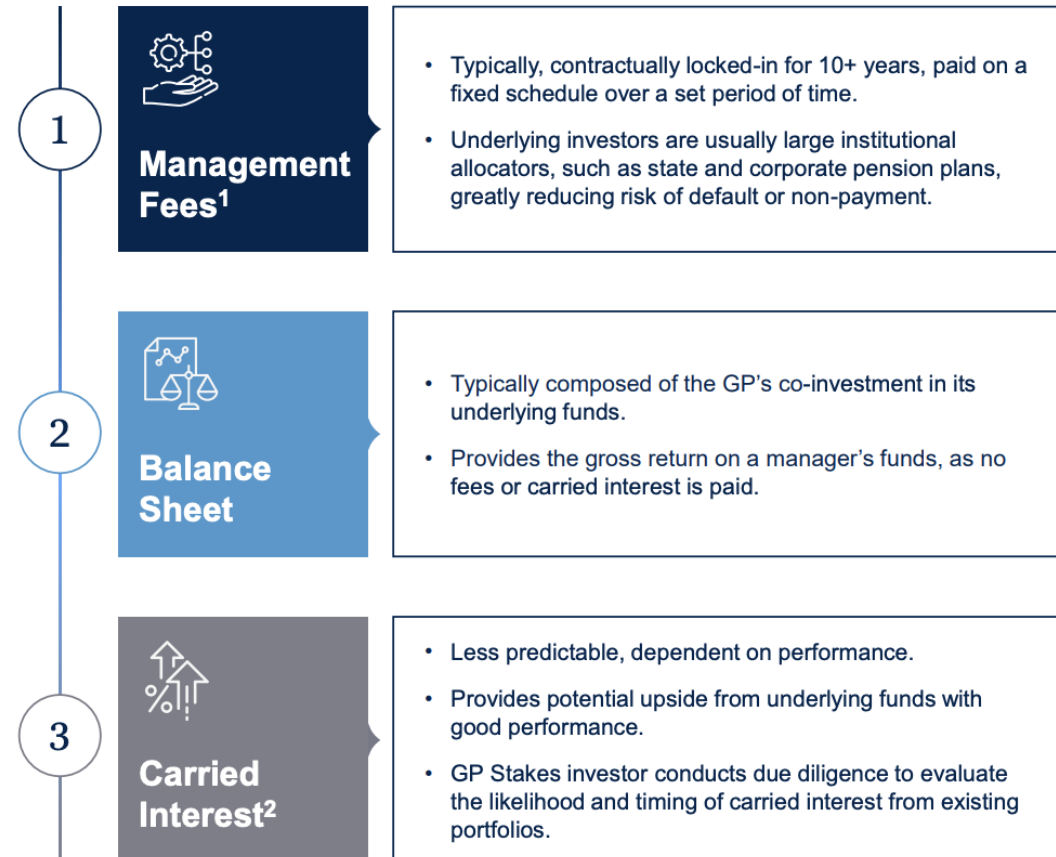
Jim Hagedorn, CFA

Founder & Managing Partner



Blue Owl (GP Stakes) Capital VI

A GP stakes investment in an underlying manager typically provides return from at least three distinct sources:



1. Management fee income can vary based on the pace of capital deployment, and the pace of investment realization, by the Partner Managers' underlying funds and other factors. 2. The actual distribution of carried interest is beyond Blue Owl's control. There is no guarantee that any carried interest will be paid to any underlying manager at a specific time.



Jim Hagedorn, CFA
Founder & Managing Partner



Client Experience

eMoney & The Chicago Partners Portal



Patrick Wade, CFA
Senior Wealth Advisor



CHICAGO PARTNERS | WEALTH
ADVISORS

Client Access

The screenshot shows the website for Chicago Partners Wealth Advisors. The browser address bar displays "chicagopartnersllc.com". The navigation menu includes "The Wealth Optimization Process", "Who We Serve", "Insights", "About", and "Client Login" (circled in orange). A blue button for "Schedule an Introductory Call" is also present. The main content area features a cityscape background with the headline "Optimize the Management of Your Wealth" and the subtext "Building private investment, tax, and financial strategies for distinguished investors since 2002." Below this, there are two buttons: "Schedule an Introductory Call" and "Client Performance Portal Login" (circled in orange).



Patrick Wade, CFA
Senior Wealth Advisor

Custodian Login

Client Logins

Custodian Login

Chicago Partners works with **Charles Schwab and Fidelity**.
These institutions serve as custodians for your money and allow Chicago Partners to manage the funds without ever taking custody of your accounts.

[Log into Charles Schwab >](#)
[Log into Fidelity >](#)

Contact the Chicago Partners Team

Having trouble logging in? We're happy to help! Contact the team and your advisor will be in touch shortly.

Name *

First Last

What can we help with? *



Patrick Wade, CFA
Senior Wealth Advisor

eMoney's Wealth Management System (WMS)

The screenshot shows the eMoney WMS dashboard for a client named 'Example Test'. The interface includes a navigation bar at the top with links for Home, Organizer, Spending, Investments, Vault, Reports, and a notification icon. On the right side of the navigation bar are links for Help, Settings, and Sign Out. The main content area is divided into several sections:

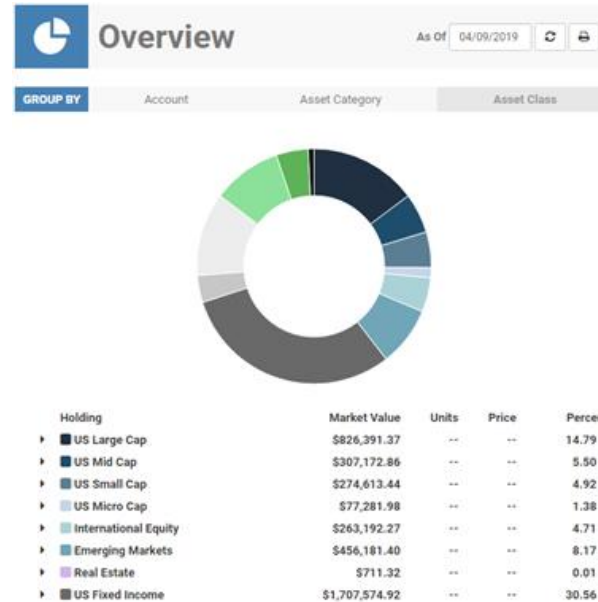
- Welcome Example Test**: A greeting at the top left.
- Accounts**: A list of account categories with their current balances:
 - Cash: \$0
 - Credit Cards: \$0
 - Taxable: \$4,656,129
 - Tax Advantaged: \$1,809,138
 - Life Ins Cash Values: \$0
 - Loans: \$0
 - Property: \$2,340,000
 - Stock Options: \$0
- Net Worth**: \$8,800,446 as of today. Below this, it shows \$0 this month and \$0 year to date.
- Investments**: \$6,465,267 as of today. Below this, it shows \$0 Change and 0.00% Change.
- Spending**: A message stating 'You do not have permission to view this client's spending data.' with a '+ Add Account' button.
- Protection**: A message stating 'You do not have any protection accounts.' with a '+ Add Account' button.



Patrick Wade, CFA
Senior Wealth Advisor



The Chicago Partners Client Portal & Mobile App



- **Connect to your portal from anywhere** - your desktop, laptop, or your mobile phone.
- Enhanced Performance Reporting
- **Access your reports and account statements** digitally in one location



Patrick Wade, CFA
Senior Wealth Advisor

The Chicago Partners Client Portal & Mobile App

CHICAGO PARTNERS | WEALTH ADVISORS Contact my Advisor

ACCOUNTS

- Investment \$4,707,313

Managed Accounts Custom Range | 01/01/2023 - 12/31/2023

Last updated: 01/10/2024 at 4:55 PM

Summary | Performance | Positions

MARKET VALUE AS OF 12/31/2023

\$4,724,237.67

RETURN

17.03%

Transaction Summary

Beginning Market Value	\$4,274,624.23
Net Dividends / Interest	\$206,224.25
Distributions	-\$276,190.40
Transactions	\$20,435.49
Market Value Change	\$499,144.10
Ending Market Value	\$4,724,237.67

Portfolio Value vs Net Amount Invested

Legend: Portfolio Value (light blue), Net Amount Invested (dark blue)

Asset Category Allocation

ASSET CATEGORY	MARKET VALUE	ALLOCATION

Asset Class Allocation

ASSET CLASS	MARKET VALUE	ALLOCATION

[+ Add Account](#)



Patrick Wade, CFA
Senior Wealth Advisor

Client Communication



Chicago Partners
Q4 2024 Quarterly Conference Call
October 10th, 2024



Quarterly Conference Calls

Second Thursday of the Quarter at 10:00 am CT



 CHICAGO PARTNERS | WEALTH ADVISORS

Welcome to September!

In this edition of the Chicago Partners monthly newsletter, you can find:

- An Invite to the Q4 2024 Conference Call
- End of Summer Cleaning: Don't Forget Your Digital Clutter
- Value Can Pop Without a Growth Drop
- Here's Why You Should Invest in All the Sectors, Not Just One
- 1971: The Beginning of a New Way to Invest, Based on Science
- Announcements and Exciting Team News

Without further ado, below is Jim's September Key Investment Insight!

Monthly Newsletters

First week of each month

Next Quarterly Conference Call: **Thursday, October 10th at 10:00 am CT**



Patrick Wade, CFA
Senior Wealth Advisor

FAQ

Frequently Asked Questions



Steve Nelson
Partner



FAQ: Who will be managing my portfolio?

Steve and Senior Wealth Advisor, Patrick Wade, CFA, will manage your portfolio.

Patrick's Background:



Patrick started at Chicago Partners in April 2019 following his role as a Rotational Credit Analyst at Wintrust Financial. During his tenure in the two-year training program, he specialized in underwriting ESOP transactions, commercial real estate mortgages, leveraged buyouts, and supported the loan capital markets team in portfolio management. Patrick became a CFA Charterholder in 2023.



Steve Nelson
Partner



FAQ: Will my portfolio change?

No, your portfolio will not change. Rather, you are likely to see it evolve with new ideas.

In addition, minor rebalancing will continue to occur to reduce outsized positions and blend in new holdings based on the firm's best thinking.

For example, after meetings with Steve & Patrick, we may propose reducing some public equity positions for a direct indexing strategy or a new private investment to complement your current portfolio.



Steve Nelson
Partner



FAQ: Will my fees change?

Yes, billing and advisory fees will change.

Billing

- Effective November 1, 2024, quarterly billing will change from in arrears to in advance.
- What does this mean?
 - EJM Wealth Management has billed advisory fees in arrears (i.e., for the past quarter-end).
 - Beginning November 1, 2024, advisory fees will be billed in advance consistent with Chicago Partners. This is more common with advisory firms today. It is the same as you pay your car insurance in advance.
 - Importantly, you will not incur an advisory fee for the month of October.
 - In early November, you will be billed for Q4 in advance (November and December).
 - For Q1 2025 you will be billed in early January 2025 rather than early April next year.



Steve Nelson
Partner



FAQ: Will my fees change?

Advisory Fee

- Your current advisory fee will remain the same until March 31, 2025.
- On April 1, 2025, all clients will move to the Chicago Partners fee schedule.
- Your fee may be slightly lower, stay the same, or be slightly higher.
- Chicago Partners value proposition far exceeds that of a slightly higher advisory fee.
- Investment performance, your net returns, and what you keep after taxes are driven by more than the advisory fee.
 - Potentially lower expenses of underlying investments. For example, Direct Indexing strategies are low cost and provide tax efficiencies beyond EJM's capabilities.
 - Performance of specific investments that benefit from an experienced investment committee.
 - Stronger technology tools and a team to enhance risk management.
 - Tax mitigation strategies.
 - Private investment opportunities with lower expenses and minimums than available to EJM. Some with very attractive opportunities to mitigate or defer capital gains taxes.
- The Chicago Partners Fee Schedule is on the next page.



Steve Nelson
Partner



FAQ: Will my fees change?

Assets From	Assets To	Fee	Plus Basis Points	On Amount Over
\$0	\$4,000,000	\$0	0.90%	\$0
\$4,000,001	\$8,000,000	\$36,000	0.60%	\$4,000,001
\$8,000,001	\$100,000,000	\$60,000	0.30%	\$8,000,001



Steve Nelson
Partner



FAQ: When will I have Steve's new contact information?

Today!

Going forward, please use my new Chicago Partners phone number and email address, listed below.

This information will be included in a follow-up, replay email that you will receive today.



Steve Nelson

Partner

Phone: *Coming soon*

Email: steve.nelson@chicagopartnersllc.com



Patrick Wade, CFA

Senior Wealth Advisor

Phone: (312) 300-4117

Email: patrick@chicagopartnersllc.com



Steve Nelson

Partner



FAQ: What are the next steps?

Later today: DocuSigns with the Chicago Partners IAA will be sent to you via email.

Later today: You will receive an email invitation to the Q4 2024 Conference Call & Replay.

The next quarterly conference call is on **October 10th at 10:00 am CT**

Please keep an eye on your inbox and fill out the DocuSigns **ASAP**



Steve Nelson
Partner



Q&A

Thank you for attending the presentation!

Investment Disclosure

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Chicago Partners Investment Group LLC (“CP”), or any non-investment related content, will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. CP is neither a law firm nor accounting firm, and no portion of its services should be construed as legal or accounting advice. Moreover, you should not assume that any discussion or information contained in this presentation serves as the receipt of, or as a substitute for, personalized investment advice from CP. Please remember that it remains your responsibility to advise CP, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. A copy of our current written disclosure Brochure discussing our advisory services and fees is available upon request. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement.

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