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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2023 AND ENDING 12/31/2023
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: M3 Investment Group LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

150 South Wacker Drive, Suite 3100

(No. and Street)

Chicago

IL

60606

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Donald E. Suter

312-499-8500

dsuter@m3ig.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

PricewaterhouseCoopers LLP

(Name – if individual, state last, first, and middle name)

One North Wacker Drive

Chicago

IL

60606

(Address)

(City)

(State)

(Zip Code)

October 20, 2003

238

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Donald E. Suter, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of M3 Investment Group LLC, as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Kathryn Ryan
Notary Public

Signature: [Signature]

Title:
Partner

Official Seal
Kathryn Ryan
Notary Public State of Illinois
My Commission Expires 10/4/2026

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

****To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.**

M3 Investment Group LLC and Subsidiaries

**Consolidated Financial Statements
December 31, 2023**

M3 Investment Group LLC and Subsidiaries

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December 31, 2023

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Report of Independent Registered Public Accounting Firm

To the Board of directors and members of M3 Investment Group LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of M3 Investment Group LLC and its subsidiaries (the "Company") as of December 31, 2023, and the related consolidated statements of operations and comprehensive income, of changes in equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The Computation of Net Capital under Rule 15c3-1 of the Securities Exchange Act of 1934 and Computation for Determination of Reserve Requirements and Information Relating to Possession or Control Requirements under Rule 15c3-3 of Securities Exchange Act of 1934 as of December 31, 2023 (collectively, the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

PricewaterhouseCoopers LLP

February 28, 2024

We have served as the Company's auditor since 2002.

M3 Investment Group LLC and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2023

Assets

Cash and cash equivalents	\$ 22,028,003
Accounts receivable	43,427,797
Investments, at fair value (cost of \$56,526,756)	68,369,653
Fixed assets, net of accumulated depreciation	428,628
Operating lease right-of-use assets, net of accumulated depreciation	2,220,612
Prepaid assets	877,385
Other assets	507,523
	<hr/>
Total assets	\$ 137,859,601

Liabilities and Equity

Liabilities

Accrued compensation and other accrued expenses	\$ 17,738,372
Deferred compensation payable	73,348,339
Operating lease liabilities	2,314,014
	<hr/>
Total liabilities	93,400,725

Equity

Members' capital	45,065,833
Accumulated other comprehensive loss	(624,436)
	<hr/>
Total members' equity	44,441,397

Noncontrolling interest in subsidiaries	17,479
	<hr/>
Total equity	44,458,876
	<hr/>
Total liabilities and equity	\$ 137,859,601

The accompanying Notes are an integral part of these consolidated financial statements.

M3 Investment Group LLC and Subsidiaries

Consolidated Statement of Operations and Comprehensive Income

Year Ended December 31, 2023

Revenues

Financial advisory fees	\$ 4,018,882
Management fees	8,489,898
Incentive fees	11,069,521
Reimbursement income	24,358,152
Distributions from investments	2,721,726
Realized and unrealized appreciation on investments	238,976
Other income	489,636
Total revenues	<u>51,386,791</u>

Expenses

Payroll and related costs	38,726,338
Deferred compensation	13,755,833
Professional fees	2,572,054
Occupancy costs	1,078,809
Travel and entertainment	1,703,106
Marketing and presentation costs	277,422
Office expenses	901,074
Insurance expense	108,442
Recruitment	86,883
Depreciation	148,770
Industry databases and publications	413,950
Regulatory fees and expenses	280,822
Other expenses	3,995,243
Total operating expenses	<u>64,048,746</u>
Net loss from continuing operations before income taxes	(12,661,955)
Income taxes	<u>(129,169)</u>
Net loss from continuing operations	<u>(12,791,124)</u>

Discontinued Operations (Note 5)

Net income from discontinued operations	2,031,150
Gain on sale and deconsolidation of subsidiaries	<u>191,110,379</u>
Net income from discontinued operations before income taxes	193,141,529
Income taxes	<u>(2,014)</u>
Net income from discontinued operations after income taxes	193,139,515
Net income	180,348,391
Net loss attributable to noncontrolling interests in subsidiaries	<u>10,180</u>
Net income attributable to members	<u>180,358,571</u>

Other comprehensive income

Foreign currency translation adjustments from continuing operations	669,490
Foreign currency translation adjustments from discontinued operations	<u>880,990</u>
Comprehensive income	<u>\$ 181,909,051</u>

The accompanying Notes are an integral part of these consolidated financial statements.

M3 Investment Group LLC and Subsidiaries **Consolidated Statement of Changes in Equity** **Year Ended December 31, 2023**

	Members'	Accumulated Other Comprehensive Income	Noncontrolling Interests in Subsidiaries	Total Equity
	Capital			
Balance at December 31, 2022	\$ 54,702,020	\$ (2,174,916)	\$ 29,981	\$ 52,557,085
Net income (loss)	180,358,571	-	(10,180)	180,348,391
Distributions	(189,994,758)	-	-	(189,994,758)
Capital contributions	-	-	4,930	4,930
Redemptions	-	-	(6,232)	(6,232)
Deconsolidation	-	-	(1,612)	(1,612)
Foreign currency translation adjustments from discontinued operations	-	880,990	-	880,990
Foreign currency translation adjustments from continuing operations	-	669,490	592	670,082
Balance at December 31, 2023	<u>\$ 45,065,833</u>	<u>\$ (624,436)</u>	<u>\$ 17,479</u>	<u>\$ 44,458,876</u>

The accompanying Notes are an integral part of these consolidated financial statements.

M3 Investment Group LLC and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

Cash flows from operating activities

Net income	\$ 180,348,391
Adjustments to reconcile net income to net cash flows used in operating activities	
Depreciation expense	199,471
Realized and unrealized appreciation on investments	(250,680)
Gain on sale and deconsolidation of subsidiaries (refer to Note 5)	(191,110,379)
Bad debt expense	6,235
Non-cash bonuses	7,748,846
Changes in operating assets and liabilities:	
Increase in accounts receivable	(7,910,594)
Decrease in operating lease right of use assets	946,948
Increase in prepaid and other assets	(250,132)
Decrease in accrued compensation and other accrued expenses	(32,747,440)
Decrease in deferred compensation liability	(160,547)
Decrease in operating lease liabilities	(1,008,893)
Net cash flows used in operating activities	<u>(44,188,774)</u>

Cash flows from investing activities

Purchases of fixed assets	(92,973)
Sales of investments in real estate private equity funds	2,864,870
Purchases of investments in real estate private equity funds	(1,006,129)
Contributions to investments	(51,000)
Returns of capital from investments in real estate private equity funds	783,569
Disposal of a subsidiary, net of cash disposed of	39,362,082
Net cash flows provided by investing activities	<u>41,860,419</u>

Cash flows from financing activities

Distributions	(42,750,000)
Capital contributions by noncontrolling interests in subsidiaries	4,930
Redemptions of noncontrolling interests in subsidiaries	(6,232)
Net cash flows used in financing activities	<u>(42,751,302)</u>
Effect of exchange rate changes on cash balance	109,574
Net decrease in cash and cash equivalents	<u>(44,970,083)</u>

Cash and cash equivalents

Beginning of year	66,998,086
End of year	<u>\$ 22,028,003</u>

Supplemental operating cash flow information

Income taxes paid during the year	\$ 109,304
Operating lease payments	\$ 517,996

Supplemental disclosure of noncash activities

Investments in real estate private equity funds (refer to Note 3)	\$ 2,964,602
Non-cash deferred compensation (refer to Note 3)	\$ 2,964,602
Operating lease right of use assets obtained in exchange for lease obligations	\$ 1,379,416
Non-cash distributions related to sale and deconsolidation of subsidiaries (refer to Note 5)	\$ 147,244,759

The accompanying Notes are an integral part of these consolidated financial statements.

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

1. General Information

M3 Investment Group LLC (“M3”) (formerly known as M3 Capital Partners LLC) and its wholly owned subsidiaries, M3 Investment Group Limited (“M3 IG Ltd.”) and M3 Investment Group Gestora de Recursos Ltda. (“M3 Ltda.”) were formed for the purpose of providing global real estate investment banking services, including provision of financial advisory services. M3 and its subsidiaries changed names in connection with the Transaction described further below and in Note 5. M3 is a Delaware limited liability company registered as a broker-dealer in the United States and has an office in Chicago. M3 IG Ltd. maintains an office in London and its subsidiary M3 Investment Group (UK) LLP provides investment management services. M3 Ltda. maintains an office in São Paulo. M3 does not take a position in any securities (other than investment securities) and does not hold customers’ securities at any time.

M3 Capital Partners (HK) Limited (“M3 HK Ltd.”) is a licensed securities dealer in Hong Kong and its subsidiary in Beijing operated certain financial advisory services which the Company provides. M3 HK Ltd. and its subsidiary were both sold to an unrelated third party on March 27, 2023 (the “Transaction”) as further described in Note 5.

M3 Capital Partners Limited (“M3 Ltd.”) maintains an office in London and holds a securities license through its subsidiary M3 Capital Partners (UK) LLP (“M3 LLP”). M3 Ltd. and M3 LLP are eligible for sale at a future date and would constitute a second closing of the Transaction. As part of the Transaction, the buyer gained certain decision-making rights over the M3 Ltd. and M3 LLP businesses and paid consideration in exchange for those rights at the time of the Transaction. As a result of those decision-making rights, it was determined that the Company lost control over M3. Ltd. and M3 LLP and each entity would be deconsolidated (the “Deconsolidation”) from the Company’s consolidated financial statements during the year ended December 31, 2023 as further described in Note 5.

Evergreen Investment Advisors LLC (“EIA”) is a registered investment advisor under the Investment Advisers Act of 1940 and a wholly owned subsidiary of M3 which was established to manage real estate private equity funds. M3 has formed other subsidiaries to hold minority stakes in these various real estate private equity funds, and these subsidiaries are owned, in part, by noncontrolling investors.

The Class C and Class D interests in M3 are owned by management members of M3. The primary difference between the Class C and the Class D units is the allocation of earnings. Specifically, for each series of Class D units, the Company must achieve a performance objective (the “Hurdle Threshold”), as defined in the Sixth Amended and Restated LLC Agreement, to become eligible for distributions. In the event of liquidation, members’ equity will be distributed in accordance with the terms of the Sixth Amended and Restated LLC Agreement, which are based primarily on ownership percentages.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are presented in U.S. dollars.

The accompanying consolidated financial statements include the results of M3 and its subsidiaries (collectively, the “Company”). All significant intercompany accounts and transactions have been eliminated in consolidation. Noncontrolling interests are treated as a separate component of equity,

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

with any changes in the ownership interest (in which control is retained) accounted for as capital transactions.

Cash and Cash Equivalents

The Company considers all cash on hand, demand deposits with financial institutions and short-term, highly liquid investments with original maturities of three months or less to be cash equivalents. The Company invests its cash primarily in deposits and with commercial banks. At times, cash balances held at banks and financial institutions may exceed federally insured amounts. The Company believes that credit risk is mitigated by depositing cash in or investing through major financial institutions. Cash and cash equivalents have no restrictions or credit issues. Money market funds are considered to be Level 1 securities.

Accounts Receivable

Accounts receivable is comprised primarily of amounts due to the Company for fees earned on financial advisory transactions and investment advisory activities, including reimbursable expenses. As of December 31, 2023, accounts receivable also includes sales proceeds to be collected in connection with the sale of certain subsidiaries which occurred in 2021 (refer to Note 3). Receivables are recorded when the related revenue is earned. The receivables are regularly reviewed in accordance with Accounting Standards Update (ASU) No. 2016-13, Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments, and if collectability issues arise, a provision for credit losses would be established. As of December 31, 2023, no allowance for doubtful accounts had been established.

Investments

The Company's investments are comprised of interests in real estate private equity funds, the primary focus of which is generally to invest in or alongside product focused real estate operating companies located in the United States and internationally. These interests typically have redemption restrictions, which may include specified redemption windows and/or approval by all fund investors. In accordance with GAAP, investments are carried at estimated fair value as determined by the funds' managers, based on assumptions made and valuation techniques used by the manager. Changes in fair value are recorded as unrealized appreciation on investments in the consolidated statement of operations and comprehensive income. The investments held by the funds are not readily marketable, and the estimated fair values could materially differ from the fair values received by the funds in connection with disposition of an investment. A portion of such investments was received in settlement of incentive fees earned by the Company, as described in Note 3.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful life of the assets (generally two to ten years).

Liabilities

Expenses are accrued when they are reasonably estimable.

Leases

The Company accounts for leases under ASU No. 2016-02, Leases (Topic 842), as amended, which requires lessees to recognize most leases on the statement of financial position and to disclose key information about leasing arrangements.

The Company is a lessee in several noncancelable operating leases for office space and office equipment. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable; otherwise the Company uses its incremental borrowing rate. The implicit rates of the Company's leases are not readily determinable and accordingly, the incremental borrowing rate is utilized, based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a fully collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment, generally obtained from local financial institutions. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. Lease costs associated with short-term leases are recognized on a straight-line basis over the lease term. Also, the Company made an accounting policy election by class of underlying asset, to account for each separate lease component of a contract and its associated non-lease components as a single lease component.

Revenue Recognition

Revenue from contracts with customers includes financial advisory fees, management and incentive fees, and related income from the reimbursement of expenses. The recognition and measurement of revenue is based on the assessment of individual contract terms. Judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure commensurate with the satisfaction of the performance obligation by the Company under the relevant contract; and whether constraints on variable consideration should be applied due to uncertain future events.

The Company provides financial advisory services. Financial advisory fees are recognized at the point in time that performance pursuant to the contractual arrangement is completed (the closing date of the transaction, or upon completion of certain tasks) or the contract is cancelled. Retainers and other fees received from customers prior to recognizing revenue are reflected as liabilities.

The Company provides investment management services on a daily basis. The Company believes the performance obligation for providing investment management services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer's assets under management. Fees are received quarterly and are recognized as revenue at that time, as they relate specifically to the services provided in that period, which are distinct from the services provided in other periods.

Incentive fees are payable to the Company as additional consideration for its investment management services. The Company receives fees that vary based on a managed fund achieving specified performance benchmarks or contractual hurdles over a contractual performance period. These fees are earned once returns have exceeded these specified performance measures. These incentive fees are considered variable consideration, as the uncertainty is dependent on the value of the assets at future points in time as well as meeting a specified hurdle rate, both of which are highly susceptible to factors outside the Company's influence.

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

Incentive fees for managing real estate private equity funds are recognized once it is probable that a significant reversal will not occur. Estimates for incentive fees payable on an annual basis are recorded at year-end, as the uncertainty associated with this consideration is resolved upon receipt of payment. Incentive fees recognized during the year are primarily related to performance obligations that have been satisfied during the year. Estimates for non-annual incentive fees, which may be payable at certain future dates, are not recorded until they become payable, as there is significant uncertainty surrounding the expected fee amounts.

Distributions received from investments are recognized as income when earned and include both dividend income and realized gains.

Other income is comprised primarily of interest income and consulting services. Revenue for consulting services is recognized at the time the services are provided, in accordance with the related contracts.

Receivables from customers were approximately \$20.8 million at December 31, 2023.

Reimbursement Income

Expenses which are reimbursed by customers are recorded as reimbursement income in the consolidated statement of operations and comprehensive income at the time the related revenues are recorded.

Other Comprehensive Income

Other comprehensive income for the Company consists of foreign currency translation adjustments which have been recorded as a component of equity. Subsidiaries with functional currencies of Euro, British pounds sterling, Hong Kong dollars, Chinese yuan, or Brazilian reais translate their financial statements into U.S. dollars. Assets and liabilities are translated at the exchange rate at the end of the period. Income and expenses are translated at the daily spot rate. Gains and losses resulting from translation are included in accumulated other comprehensive income as a separate component of members' equity.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Related Party Transactions

EIA

EIA manages a real estate private equity fund, in which M3 is a minority investor through its subsidiary entities. For the year ended December 31, 2023, EIA earned approximately \$8.5 million in management fees. In 2023, EIA also earned expense reimbursements of approximately \$19.0 million, which is included in reimbursement income in the consolidated statement of operations and comprehensive income. As of December 31, 2023, approximately \$6.8 million due from the real estate private equity fund to EIA is included in accounts receivable on the consolidated statement of financial position.

FCP

On November 17, 2021, Flins Capital Partners GmbH ("FCP") and five Luxembourg subsidiaries of the Company were sold to an unrelated third party. The overall terms of the sales agreement include approximately 20.3 million Euros (\$22.4 million) which is included in accounts receivable on the

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

consolidated statement of financial position to be paid in 2024. Additional amounts may be payable to M3 in 2024 based on certain earn-out and valuation provisions related to ongoing financial performance of the sold entities and related Atrium funds.

Deferred payments of approximately \$5.4 million (net of offsetting receivable of approximately \$2.9 million) are accrued in deferred compensation payable on the consolidated statement of financial position, and these deferred amounts may increase as the earn-out and valuation provisions become realizable.

M3

Included in accounts receivable on the consolidated statement of financial position is \$899,466 of tax payments made on behalf of certain members.

Incentive Fees

The annual incentive fee payable by a fund (the “Evergreen Fund”) managed by EIA is based on the operating-income distribution yield of the Evergreen Fund, and calculated as a defined percentage of excess distributions (beyond a defined threshold yield) paid to the Evergreen Fund’s majority investor. Under the terms of the Evergreen Fund’s LLC Agreement, incentive fees are paid through the issuance of units in the Evergreen Fund (“Retained Units”). Such units are redeemable at issuance for cash upon prior notification and then on an annual basis at specified redemption dates.

Corresponding units which are indexed to the value of outstanding Retained Units (the “Tracking Units”) entitle their holders to any corresponding income distributions which the Retained Units receive from the Evergreen Fund. Retained Units and Tracking Units were first issued in 2015 in connection with an incentive fee payout, and further issuances of both are expected as future incentive fees are paid by the Evergreen Fund. Tracking Units will be redeemed and settled in cash by the Company either upon termination of employment, or on specified annual dates when liquidity is offered. The Retained Units are reflected in investments, and the corresponding Tracking Units are reflected in deferred compensation payable on the consolidated statement of financial position. Ongoing changes in fair value of the Retained Units are recorded as realized and unrealized appreciation on investments in the consolidated statement of operations and comprehensive income. Equivalent offsetting changes in the fair value of the Tracking Units and distributions of income are recorded as deferred compensation in the consolidated statement of operations and comprehensive income.

In 2023, an annual incentive fee previously accrued by the Company of approximately \$11.7 million was paid by the Evergreen Fund. The Company elected to receive payment through a combination of approximately \$8.7 million of units redeemed at issuance for cash and \$3.0 million of Retained Units. The Company elected to retain approximately \$4.4 million of cash, and the balance of \$7.3 million was distributed to members and employees of the Company in recognition of the services provided by such personnel. This was accomplished by distributing the remaining \$4.3 million of cash and issuing approximately \$3.0 million of Tracking Units.

An estimated incentive fee of \$10.9 million from the Evergreen Fund was recognized by the Company during 2023 and is included in incentive fees in the consolidated statement of operations and comprehensive income and accounts receivable on the consolidated statement of financial position. The Company expects to receive this incentive fee in 2024, and may elect to receive either cash or units in the Evergreen Fund as consideration. As of the date of the consolidated financial statements, the Company expects to distribute this fee amount to members and employees similar to the incentive fee received in 2023, as described above. As such, the amount is included in deferred compensation expense in the consolidated statement of operations and comprehensive

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

income, as well as in deferred compensation payable on the consolidated statement of financial position.

4. Strategic Agreement

In January 2016, a strategic agreement (the “Agreement”) was entered into between M3 HK Ltd. and an existing financial advisory client (the “Strategic Client”) based in Singapore, for the provision of services by M3 HK Ltd. and its affiliates to act exclusively to provide financial advisory services to the Strategic Client. The Company also continues to provide financial advisory services to other clients. The Company receives fees from the Strategic Client for the provision of its services under the Agreement which are comprised of annual fees and success fees. Additionally, in consideration of the Strategic Client engaging M3 HK Ltd. and its affiliates on an exclusive basis, the Company may pay an annual amount (“Annual Payment”) to the Strategic Client, which is calculated based on the net profits of the financial advisory business of the Company.

Under the terms of the Agreement and prior to the Transaction, the Company paid \$2,751,200 as the Annual Payment to the Strategic Client, which is included in other expenses in the consolidated statement of operations and comprehensive income.

Contemporaneous with the Transaction closing (refer to Note 1 and Note 5), the Agreement was terminated.

5. Discontinued Operations

On March 27, 2023, the Company sold certain subsidiaries involved in its financial advisory business to an unrelated third party. The Transaction included both cash and non-cash consideration in the form of shares of a non-public entity affiliated with the buyer. The Company distributed all of the consideration received as noted in the non-cash distribution disclosed on the consolidated statement of cash flows. The Transaction also included a right for the buyer to purchase M3 Ltd. and M3 LLP at a later date as described in the Transaction documents.

The Company evaluated and determined that the sale of M3 HK Ltd. and its subsidiary met the discontinued operations accounting criteria. Further, due to the Company’s loss of control over M3 Ltd. and M3 LLP, both subsidiaries were deconsolidated. The Company derecognized the assets and liabilities of these subsidiaries at their carrying amounts and recognized any non-controlling investment retained in the former subsidiaries at their fair value in accordance with the guidance for deconsolidation of a subsidiary that is a business. Additionally, all future revenues and expenses generated by M3 Ltd. and M3 LLP inure to the benefit of the buyer after the Transaction. As such, the Company has reclassified revenues and expenses on its consolidated statement of operations and comprehensive income for the year ended December 31, 2023, for M3 HK Ltd. and its subsidiary and M3 Ltd. and M3 LLP as further described below.

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

The following depicts the operations and cash flow disclosures of those certain financial advisory services conducted by the subsidiaries which are subject to the sale and deconsolidation:

Revenues

Financial advisory fees	\$ 3,301,212
Reimbursement income	7,422,452
Realized and unrealized appreciation on investments	11,704
Other income	548,429
Total revenues	<u>11,283,797</u>

Expenses

Payroll and related costs	5,993,462
Professional fees	692,343
Occupancy costs	499,988
Travel and entertainment	614,698
Marketing and presentation costs	84,514
Office expenses	206,505
Insurance expense	20,119
Recruitment	63,222
Depreciation	50,701
Industry databases and publications	160,089
Regulatory fees and expenses	35,170
Other expenses	831,836
Total operating expenses	<u>9,252,647</u>
Net income from discontinued operations	2,031,150
Gain on sale and deconsolidation of subsidiaries	191,110,379
Net income from discontinued operations before income taxes	<u>193,141,529</u>
Income taxes	<u>(2,014)</u>
Net income from discontinued operations after income taxes	\$193,139,515

Cash flows from operating activities

Depreciation expense	\$ 50,701
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Supplemental operating cash flow information

Income taxes paid during the year	\$ 228,537
Operating lease payments	\$ 552,190

Supplemental disclosure of noncash activities

Write off of fully leasehold improvements	\$ 791,563
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6. Compensation Plans

The Company offers defined contribution plans whereby it matches a portion of employee contributions to the plans. The Company made contributions of \$524,704 during 2023, which is included in payroll and related costs in the consolidated statement of operations and comprehensive income.

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

7. Fixed Assets

Fixed assets consisted of the following as of December 31, 2023:

Computer equipment and software	\$ 769,372
Office furniture and equipment	423,638
Leasehold improvements	511,143
Accumulated depreciation	<u>(1,275,525)</u>
Total fixed assets, net of accumulated depreciation	<u>\$ 428,628</u>

8. Commitments and Contingencies

The Company has obligations as a lessee for office space, vehicles, and other office equipment with initial noncancelable terms in excess of one year. The Company classified these leases as operating leases. When the Company is reasonably certain to exercise renewal options, the optional periods are included in determining the lease term, and associated payments under these renewal options are included in lease payments. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Certain of the Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

The components of lease cost for the year ended December 31, 2023 are as follows:

Operating lease cost	\$1,009,551
Variable lease cost	386,606
Total lease cost	<u>\$1,396,157</u>

Operating lease right-of-use assets of \$2,220,612 and operating lease liabilities of \$2,314,014 are reported on the consolidated statement of financial position as of December 31, 2023.

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2023 are as follows:

Years ended December 31,	
2024	\$ 649,074
2025	646,540
2026	581,037
2027	432,273
2028	209,783
Thereafter	-
Total payments	<u>\$ 2,518,707</u>
Present value adjustment	<u>(204,693)</u>
Present value of net minimum lease payments	<u>\$ 2,314,014</u>

Rent expense is recognized on a straight-line convention, under which contractual rent changes are recognized evenly over the lease term. As of December 31, 2023, the weighted-average discount

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

rate used to determine the lease liabilities was 4.09% and the weighted-average remaining lease term was 3.82 years.

The Company has made capital commitments of \$10.88 million and 462,000 Euros (equivalent to \$510,540 as of December 31, 2023) to related-party real estate private equity funds. As of December 31, 2023, \$6,052,098 of these commitments had been contributed to the funds and is included in investments on the consolidated statement of financial position. During 2023, \$1,006,129 was called and contributed to the funds, as reflected on the consolidated statement of cash flows.

Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnification. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company. However, based on experience, the Company expects the risk of loss to be remote.

9. Income Taxes

As a limited liability company, M3 is not subject to U.S. federal income taxes. Taxable earnings of M3 flow through to the members. M3 IG Ltd., M3 Ltda. and other subsidiaries situated in Luxembourg were subject to corporate taxes calculated using the income tax rates in effect under existing legislation. The 2023 statutory UK tax rate applicable to M3 IG Ltd. was 19% until March 31 and 25% thereafter. The 2023 Chinese statutory tax rate applicable to the Beijing subsidiary was 5%, the Brazilian statutory rate applicable to M3 Ltda. was 34% and the Luxembourg statutory rate applicable to existing and former subsidiaries situated in Luxembourg was 24.94%.

Total income tax expense for the taxable subsidiaries of M3 was \$131,183 for the year ended December 31, 2023. This is comprised of current income tax expense of \$195,816 and deferred income tax benefit of \$64,633. The deferred income tax expense is a function of temporary differences occurring during the year (items which are treated differently for tax purposes than for financial reporting purposes) and the utilization of previously recognized deferred income tax assets. Temporary differences are due primarily to differences in depreciation timing between financial reporting and tax methods.

As of December 31, 2023, an accrual for income taxes of \$138,610 is included in other accrued expenses, an accrued refund of \$16,814 is included in prepaids assets and a deferred tax asset of \$67,858 is reflected in other assets on the consolidated statement of financial position.

The authoritative guidance on accounting for and disclosure of uncertainty in tax positions (Accounting Standards Codification Topic 740, Income Taxes) requires management to determine whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the consolidated financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of December 31, 2023, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2017 forward (with limited exceptions).

M3 Investment Group LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

10. Net Capital Requirements

M3 is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act, which requires the maintenance of minimum net capital. M3 utilizes the aggregate indebtedness method permitted by Rule 15c3-1. As of December 31, 2023, M3 had net capital of \$5,058,831 which exceeded minimum required net capital by \$4,244,718.

The following is a summary of certain financial information of the Company's consolidated subsidiaries:

	Total Company	Effect of Consolidation	M3
Total assets	\$137,859,601	\$ 80,587,754	\$ 57,271,847
Total liabilities	93,400,725	80,654,073	12,746,652
Total equity	44,458,876	(66,319)	44,525,195

The Company's investments in and receivables from subsidiaries of \$32,881,337 are not included in the computation of M3's net capital under Rule 15c3-1.

11. Fair Value Measurements

Investments

The Company holds investments in real estate private equity funds, which are stated at fair value in the consolidated financial statements in accordance with Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("ASC 820"). This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The investments held by the funds are not readily marketable, and the estimated fair values are determined by the funds' managers based on various methods including discounted cash flows, direct capitalization and earnings multiples. The Company uses its pro-rata share of NAV, as determined by the funds' managers, as its measure of fair value for interests in real estate private equity funds. The Company has determined that NAV was computed in a manner consistent with the measurement principles of investment company accounting, and therefore, no adjustments were made to NAV. As of December 31, 2023, \$68,369,653 of investments in real estate private equity funds are included on the consolidated statement of financial position.

Deferred Compensation

The Company recognizes increases/decreases in deferred compensation expense based upon the performance of investments in real estate private equity funds, due to the fact that Tracking Units (refer to Note 3) issued to employees/members are indexed to the performance of certain investments in real estate private equity funds. The performance of the investments is measured at fair value in accordance with fair value measurements information described above.

12. Subsequent Events

The Company has performed an evaluation of subsequent events through February 28, 2024, which is the date the consolidated financial statements were available to be issued. The Company is not aware of any subsequent events that require disclosure in the consolidated financial statements.

Supplemental Schedule

M3 Investment Group LLC
Computation of Net Capital under Rule 15c3-1 of the
Securities Exchange Act of 1934
December 31, 2023

Schedule I

Net capital	
Total equity	\$ 44,458,876
Noncontrolling interests in subsidiaries	(17,479)
Subsidiary deficit from purchase of noncontrolling interests	83,798
Investments in and receivables from subsidiaries	(32,881,337)
Other nonallowable assets	(6,436,648)
Net capital before haircut	5,207,210
Haircut on securities	(148,379)
Net capital	5,058,831
Aggregate indebtedness (AI)	12,211,688
Computation of basic net capital requirement	
Minimum net capital required (6-2/3% of aggregate indebtedness)	(814,113)
Excess net capital	4,244,718
Excess net capital at 1,000%	
(net capital minus 10% of AI)	\$ 3,837,662
Percentage of aggregate indebtedness to net capital	241.39%

There are no material differences between the above computation and the computation included on a nonconsolidated basis in the unaudited quarterly FOCUS report filed on January 24, 2024 on Form X-17(a)-5, Part IIA.

M3 Investment Group LLC
Computation for Determination of Reserve Requirements and
Information Relating to Possession or Control Requirements
under Rule 15c3-3 of the Securities Exchange Act of 1934
December 31, 2023

Schedule II

M3 does not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3. M3 limits its business activities exclusively to (1) placement agent in private securities offerings (effecting securities transactions via subscription); (2) non-exchange member arranging block trades in real estate based securities publicly traded on major stock exchanges; (3) financial advisory services to clients with respect to strategic business transactions (i.e., receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients); and (4) registered offerings only on a “best efforts” basis with respect to corporate debt and/or equity securities, and/or limited partnership interests (such transactions are effected via subscription), and M3 (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Accordingly, M3 is not required to submit a computation for determination of reserve requirements or information relating to possession or control requirements.

There are no material differences between the above information and the information included in the unaudited quarterly FOCUS report filed on Form X-17(a)-5, Part IIA.



Report of Independent Registered Public Accounting Firm

To board of directors and management of M3 Investment Group LLC

We have reviewed M3 Investment Group LLC's assertions, included in the accompanying M3 Investment Group LLC Exemption Report, in which the Company stated that:

(1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Company is filing its Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) placement agent in private securities offerings (effecting securities transactions via subscription); (2) non-exchange member arranging block trades in real estate based securities publicly traded on major stock exchanges; (3) financial advisory services to clients with respect to strategic business transactions (i.e., receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients); and (4) registered offerings only on a "best efforts" basis with respect to corporate debt and/or equity securities, and/or limited partnership interests (such transactions are effected via subscription), and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the year ended December 31, 2023 without exception.

The Company's management is responsible for the assertions and for compliance with the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 throughout the year ended December 31, 2023.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the provisions of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's assertions referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5.

PricewaterhouseCoopers LLP

February 28, 2024

M3 Investment Group LLC Exemption Report

M3 Investment Group LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission ("SEC") (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) placement agent in private securities offerings (effecting securities transactions via subscription); (2) non-exchange member arranging block trades in real estate based securities publicly traded on major stock exchanges; (3) financial advisory services to clients with respect to strategic business transactions (i.e., receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients); and (4) registered offerings only on a "best efforts" basis with respect to corporate debt and/or equity securities, and/or limited partnership interests (such transactions are effected via subscription), and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

M3 Investment Group LLC

I, Don Suter, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By:



Don Suter,
Managing Partner, Chief Executive Officer

February 28, 2024



Report of Independent Accountants

To the board of directors and management of M3 Investment Group LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation ("SIPC") Series 600 Rules, which are enumerated below, on the accompanying General Assessment Form (Form SIPC-7) of M3 Investment Group LLC (the "Company") for the year ended December 31, 2023. Management of M3 Investment Group LLC is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

In an agreed-upon procedures engagement, we perform specific procedures that the Company has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and we report on findings based on the procedures performed. Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2023. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are as follows:

1. Compared the Total Revenue amount reported on line 9 of the Statement of Income (Loss) for each of the four quarterly FOCUS reports of M3 Investment Group LLC for the year ended December 31, 2023 to the Total Revenue amount of \$198,957,212 reported on page 1, line 1 of Form SIPC-7 for the year ended December 31, 2023, noting no differences.
2. Compared any adjustments reported on page 1, items 2, 4, and 5 of Form SIPC-7 with the supporting schedules and working papers, as follows:
 - a. Compared deduction on line 4h, Other revenue not related either directly or indirectly to the securities business, of \$198,957,212 to the sum of the general ledger account numbers 64204201, 64204202, 64104302, 64108825, 66004400, 66004449, 64108826, 64104452, and 64104305 of M3 Investment Group LLC that represented all revenues related to either unregistered investment contracts related to real estate partnerships or realized gain on the sale of certain foreign subsidiaries of the Company, noting no differences.
3. With respect to the calculations reflected in Form SIPC-7 and in the related schedules and working papers obtained in procedure 2, we performed the following:
 - a. Recalculated the mathematical accuracy of the SIPC Net Operating Revenues on page 2, line 7 of \$0 and the General Assessment on page 2, line 8 of \$0, noting no differences.

- b. Recalculated the mathematical accuracy of page 1, line 2h, total additions, of \$0, noting no differences.
 - c. Recalculated the mathematical accuracy of page 1, line 3, Add lines 1 and 2h, of \$198,957,212, noting no differences.
 - d. Compared the amounts on page 1, lines 5a and 5b, and observed whether the greater of the two amounts of \$0 was included on page 1, line 5c, Enter the greater of line 5a or 5b, noting no differences.
 - e. Recalculated the mathematical accuracy of page 1, line 6, total deductions, of \$198,957,212, noting no differences.
 - f. Recalculated the mathematical accuracy of page 2, line 11d, Add lines 11a through 11c, of \$0, noting no differences.
 - g. Compared the amounts on page 2, lines 10 and 11d, and observed whether the lesser of the two amounts of \$0 was included on page 2, line 12, Lesser of line 10 or 11d, noting no differences.
 - h. Agreed the amounts on page 2, lines 8, 9, and 12 to page 2, lines 13a, 13b, and 13c, respectively, noting no differences. Recalculated the mathematical accuracy of page 2, line 13d, Subtract lines 13b and 13c from 13a – assessment balance due, of (\$150), noting no differences.
 - i. Recalculated the mathematical accuracy of page 2, line 14, Interest for 0 days late at 20% per annum, of \$0, noting no differences.
 - j. Recalculated the mathematical accuracy of page 2, line 15, Amount you owe SIPC, of \$0, noting if the mathematical sum of lines 13d and 14 is a negative number, the total in line 15 is \$0 as opposed to a negative number resulting from the mathematical summation.
 - k. Recalculated the mathematical accuracy of page 2, line 16, Overpayment/credit carried forward (if applicable), of (\$150), noting no differences.
4. Compared the amount of any overpayment applied to the current assessment on page 2, line 9 of Form SIPC-7 with page 1, line 2H of the Form SIPC-7 filed for the prior period ended December 31, 2022 on which it was originally computed, noting no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and on its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of M3 Investment Group LLC and the Securities Investor Protection Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

Chicago, IL
February 28, 2024

For the fiscal year ended 12/31/2023

GENERAL ASSESSMENT FORMFor the fiscal year ended 12/31/2023

7	Subtract line 6 from line 3. This is your SIPC Net Operating Revenues .	\$ 0.00
8	Multiply line 7 by .0015. This is your General Assessment .	\$ 0.00
9	Current overpayment/credit balance, if any	\$ 150.00
10	General assessment from last filed <u>2023</u> SIPC-6 or 6A	\$ 0.00
11 a	Overpayment(s) applied on all <u>2023</u> SIPC-6 and 6A(s)	\$ 0.00
b	Any other overpayments applied	\$ 0.00
c	All payments applied for <u>2023</u> SIPC-6 and 6A(s)	\$ 0.00
d	Add lines 11a through 11c	\$ 0.00
12	LESSER of line 10 or 11d.	\$ 0.00
13 a	Amount from line 8	\$ 0.00
b	Amount from line 9	\$ 150.00
c	Amount from line 12	\$ 0.00
d	Subtract lines 13b and 13c from 13a. This is your assessment balance due .	(\$ 150.00)
14	Interest (see instructions) for <u>0</u> days late at 20% per annum	\$ 0.00
15	Amount you owe SIPC . Add lines 13d and 14.	\$ 0.00
16	Overpayment/credit carried forward (if applicable)	(\$ 150.00)

SEC No. 8-53097	Designated Examining Authority DEA: FINRA	FYE 2023	Month Dec
MEMBER NAME	M3 INVESTMENT GROUP LLC		
MAILING ADDRESS	ATTN AMY MOSNY CONTROLLER 150 SOUTH WACKER DR STE 3100 CHICAGO, IL 60606		

Subsidiaries (S) and predecessors (P) included in the form (give name and SEC number)



By checking this box, you certify that you have the authority of the SIPC member to sign this form; that all information in this form is true and complete; and that on behalf of the SIPC member, you are authorized, and do hereby consent, to the storage and handling by SIPC of the data in accordance with SIPC's Privacy Policy

M3 INVESTMENT GROUP LLC
(Name of SIPC Member)

2/28/2024
(Date)

ANDREW MALLERIS
(Authorized Signatory)

amalleris@m3ig.com
(e-mail address)

Completion of the "Authorized Signatory" line will be deemed a signature.

This form and the assessment payment are due 60 days after the end of the fiscal year.