



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

1,000

CITADEL EMPLOYEES WORKING IN CHICAGO

\$51 BILLION

IN ASSETS MANAGED BY CITADEL

\$22 BILLION

VALUATION OF CITADEL

100+ BRANDS

UNDER THE KELLOGG'S UMBRELLA

\$14.8 BILLION

IN SALES IN 2021

20% OF SALES

WILL BE REPRESENTED BY THE 2 NEW VENTURES

0.7% RISE

IN THE PENDING HOME SALES INDEX FOR MAY

14.6% INCREASE

IN PRICE OF MEDIAN SINGLE-FAMILY HOMES FROM 1 YEAR AGO

NORTHEAST

AND THE SOUTH CONTINUE TO SEE RISE IN PENDING HOME SALES

Ken Griffin Moves Citadel from Chicago to Miami

- Ken Griffin is relocating his hedge-fund from Chicago to Miami according to a letter to his employees. Personal motivations and appealing tax policy are cited as the reasons for the move. Additionally, Mr. Griffin wrote "Over the past year ... many of our Chicago teams have asked to relocate to Miami, New York and our other offices around the world."
- In March 2020, Citadel employees began working out of a high-end hotel in Miami during the pandemic. Over two years later, Mr. Griffin announced to his employees that the Citadel headquarters will relocate to Brickell Bay in Miami's financial district.
- Mr. Griffin has been the wealthiest resident of Illinois and is among the world's top 50 wealthiest individuals. His departure will be significant to Illinois tax collections on both the individual and corporate levels. During his tenure as a Chicago resident, Mr. Griffin donated over \$600 million to various philanthropic causes in the city.

Kellogg Co. Proposes Stock Split

- Kellogg's released a press statement notifying shareholders of a proposed stock split in 2023. As a result of changes in consumer spending, Kellogg's 100+ brands have been forced to compete against each other for Kellogg's resources and consumer spending. The split hopes to rectify this issue.
- The proposed split aims to lighten Kellogg's cumbersome load of brands into three separate entities – the largest accounting for 80% of the company will take over all "snacks" and frozen foods, and two smaller ventures, one running all cereal brand operations and the other taking control of plant-based ventures. The reshaping of Kellogg's portfolio will allow each brand to better direct resources and achieve their standalone potential.
- If the split proceeds, it will result in "tax-free distributions" of the two smaller ventures. Stockholders prior to the split will receive "new shares on a pro-rata basis relative to their holdings at the record date". Official names and capital structures of the spin-offs will be released at a later date.

U.S. Pending Home Sales Unexpectedly Rebounded in May

- Contracts to buy previously owned U.S. homes increased unexpectedly this past May after declining for six straight months. However, increasing mortgage rates continue to slow demand in the housing market.
- On Monday, The National Association of Realtors (NAR) published its Pending Home Sales Index, which is based on signed contracts. The index rose 0.7% to 99.9 this past May, after hitting a two year low in April 2022. Despite this gain in pending sales, contract signings are down significantly compared to a year ago due to the hike in mortgage rates. Pending home sales increased in the Northeast and the South but continued to fall in the West and Midwest.
- The NAR estimate monthly mortgage payments have increased \$800+ for the median single-family home price with 10% down payment since the beginning of the year.

Sources: www.wsj.com | www.forbes.com | www.reuters.com