2019 RIA Benchmarking Study
Selected insights for firms with under $100M in AUM

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## 2019 RIA Benchmarking Study: Key metrics across peer groups

<table>
<thead>
<tr>
<th>Metrics (median)</th>
<th>All firms $250M+</th>
<th>Under $100M</th>
<th>$100M-$250M</th>
<th>$250M-$500M</th>
<th>$500M-$750M</th>
<th>$750M-$1B</th>
<th>$1B-$2.5B</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 ending AUM ($M)</td>
<td>$672</td>
<td>$70</td>
<td>$171</td>
<td>$343</td>
<td>$604</td>
<td>$870</td>
<td>$1,433</td>
</tr>
<tr>
<td>5-year AUM CAGR&lt;sup&gt;1&lt;/sup&gt;</td>
<td>7.5%</td>
<td>8.0%</td>
<td>7.8%</td>
<td>7.6%</td>
<td>6.5%</td>
<td>8.4%</td>
<td>7.8%</td>
</tr>
<tr>
<td>2018 organic growth&lt;sup&gt;2&lt;/sup&gt; ($M)</td>
<td>$24</td>
<td>$3</td>
<td>$7</td>
<td>$17</td>
<td>$26</td>
<td>$48</td>
<td>$45</td>
</tr>
<tr>
<td>5-year organic growth&lt;sup&gt;2&lt;/sup&gt; CAGR&lt;sup&gt;1&lt;/sup&gt;</td>
<td>5.1%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>5.7%</td>
<td>4.6%</td>
<td>5.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2018 revenues ($K)</td>
<td>$4,193</td>
<td>$501</td>
<td>$1,280</td>
<td>$2,449</td>
<td>$4,052</td>
<td>$5,523</td>
<td>$9,000</td>
</tr>
<tr>
<td>5-year revenue CAGR&lt;sup&gt;1&lt;/sup&gt;</td>
<td>9.4%</td>
<td>10.3%</td>
<td>9.1%</td>
<td>9.7%</td>
<td>9.0%</td>
<td>10.4%</td>
<td>9.5%</td>
</tr>
<tr>
<td>2018 ending number of clients</td>
<td>380</td>
<td>85</td>
<td>170</td>
<td>256</td>
<td>358</td>
<td>380</td>
<td>668</td>
</tr>
<tr>
<td>5-year client CAGR&lt;sup&gt;1&lt;/sup&gt;</td>
<td>5.4%</td>
<td>4.7%</td>
<td>4.9%</td>
<td>5.8%</td>
<td>5.5%</td>
<td>6.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Average assets per client ($M)</td>
<td>$1.90</td>
<td>$0.78</td>
<td>$1.08</td>
<td>$1.41</td>
<td>$1.97</td>
<td>$2.54</td>
<td>$2.30</td>
</tr>
<tr>
<td>Standardized operating margin</td>
<td>28.2%</td>
<td>24.2%</td>
<td>28.9%</td>
<td>26.6%</td>
<td>29.9%</td>
<td>26.6%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Age of firm (years)</td>
<td>22</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>21</td>
<td>20</td>
<td>25</td>
</tr>
</tbody>
</table>

<sup>1</sup> Median compound annual growth rate (CAGR) over the five-year period from 2014 to 2018. Past performance is not an indicator of future results.

<sup>2</sup> Organic growth from net asset flows is the change in a firm’s assets from new, existing, and lost clients before investment performance is taken into account, and it excludes the growth from acquisition or divestiture and from advisors joining or leaving.

Median results by peer group (AUM) unless otherwise noted. 2019 RIA Benchmarking Study from Charles Schwab, fielded January to March 2019. Study contains self-reported data from 1,310 firms. Participant firms represent various sizes and business models categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size.
Firms with under $100M in AUM have a slightly stronger 5-year growth rate than many peers.
Revenue grew at a healthy rate in 2018 across the board, and firms with under $100M in AUM had one of highest growth rates over five-year period.

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Across the board, advisor firms continue to add new-to-firm clients

**Total clients**
Median results by peer group (AUM)

- 2018 Average assets per client ($M)
- 2014
- 2018

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2019 RIA Benchmarking Study from Charles Schwab
For firms with under $100M in AUM, new client assets are six times greater than net assets from existing clients.
Small firms maintain pace with peers in terms of profit margins

Standardized operating income margin
Median results by peer group (AUM)

- Under $100M: 24.2%
- $100M-$250M: 28.9%
- $250M-$500M: 26.6%
- $500M-$750M: 29.9%
- $750M-$1B: 26.6%
- $1B-$2.5B: 30.0%

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2019 RIA Benchmarking Study from Charles Schwab
Methodology

- Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on study responses from individual firms.
- Fielded from January to March 2019, the study contains self-reported data from 1,310 firms that custody their assets with Schwab Advisor Services and represent $1.1 trillion in AUM, making this the leading study in the RIA industry. This self-reported information was not independently verified.
- Since the inception of the study in 2006, more than 3,600 firms have participated, with many repeat participants.
- Participant firms represent various sizes and business models. They are categorized into 12 peer groups — seven wealth manager groups and five money manager groups — by AUM size.
- The fastest-growing firms are the top 20% of firms as determined by net organic growth (five-year net organic compound annual growth rate). This cohort includes 154 firms out of 768, all of which have $250 million or more in AUM.
- Net organic growth is the change in assets from existing clients, new clients, and assets lost to client attrition before investment performance is taken into account, and it excludes the growth from acquisitions, divestitures, and advisors joining or leaving a firm with assets.