Independent Advisor Industry Transactions

First Half 2017

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Merger & Acquisition environment remains healthy across independent advisor industry

How Many?
- Fifty-two deals completed in H1 2017\(^1\), continuing the momentum in H1 2016, in which 52 deals also occurred
- Thirty-two transactions in Q1 2017; 20 in Q2 2017

How Much?
- $59 billion in AUM was acquired in H1 2017, compared to $75 billion in H1 2016
- Deal sizes ranged from $77 million to $17 billion in AUM acquired.

How Big?
- Average deal size was $1.1 billion, compared to $1.4 billion in H1 2016
- Thirteen transactions involved more than $1 billion in AUM, while seven involved more than $2 billion in AUM

Who’s Buying?
- RIA firms increased their buying activity and as most active buyer type in H1 2017, making up 43% of buyers, up from 35% in H1 2016
- Strategic acquiring firms maintained their prominence, making up 35% of buyers in H1 2017, up from 31% in H1 2016

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\(^1\) H1 refers to Jan. – June 2017
Source: Schwab Advisor Services, Strategic Business Development – 2017
2017 transaction volume keeping pace with 2016 total

Source: Schwab Advisor Services, Strategic Business Development – 2017
The $1B+ average deal reigns two years running

Source: Schwab Advisor Services, Strategic Business Development – 2017
RIAs and strategic acquirers lead the buying activity

Source: Schwab Advisor Services, Strategic Business Development – 2017
Methodology

- Schwab’s industry transaction data is compiled and analyzed by Schwab Advisor Services.

- Data reflects transactions involving primarily high-net-worth- and endowment-focused RIAs with assets under management exceeding $50 million.

- The data also includes advisors in transition who joined an existing RIA and received equity consideration as part of the transaction.

- Schwab does not intend to track all financial-services industry deals or all industry deal types across all channels and the data is not intended to reflect the global landscape of industry transactions or transaction types.

- RIA refers to Registered Investment Advisor. RIAs are independent advisors and are not owned by, affiliated with or supervised by Schwab.