

# Independent Advisor Industry Transactions

Deals completed  
in first half 2018

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# Robust M&A activity continues in first half of 2018

## How Big?

- Average deal size was \$1.1 (\$1.09) billion in H1 2018,<sup>1</sup> on par with \$1.1 (\$1.14) billion in H1 2017.
- In Q1 2018, average deal size was \$1.13 billion, compared with \$902 million in Q2 2018.

## How Much?

- Total AUM acquired in H1 2018 was \$42 billion.
- Deal sizes ranged from \$74 million to \$7 billion.

## How Many?

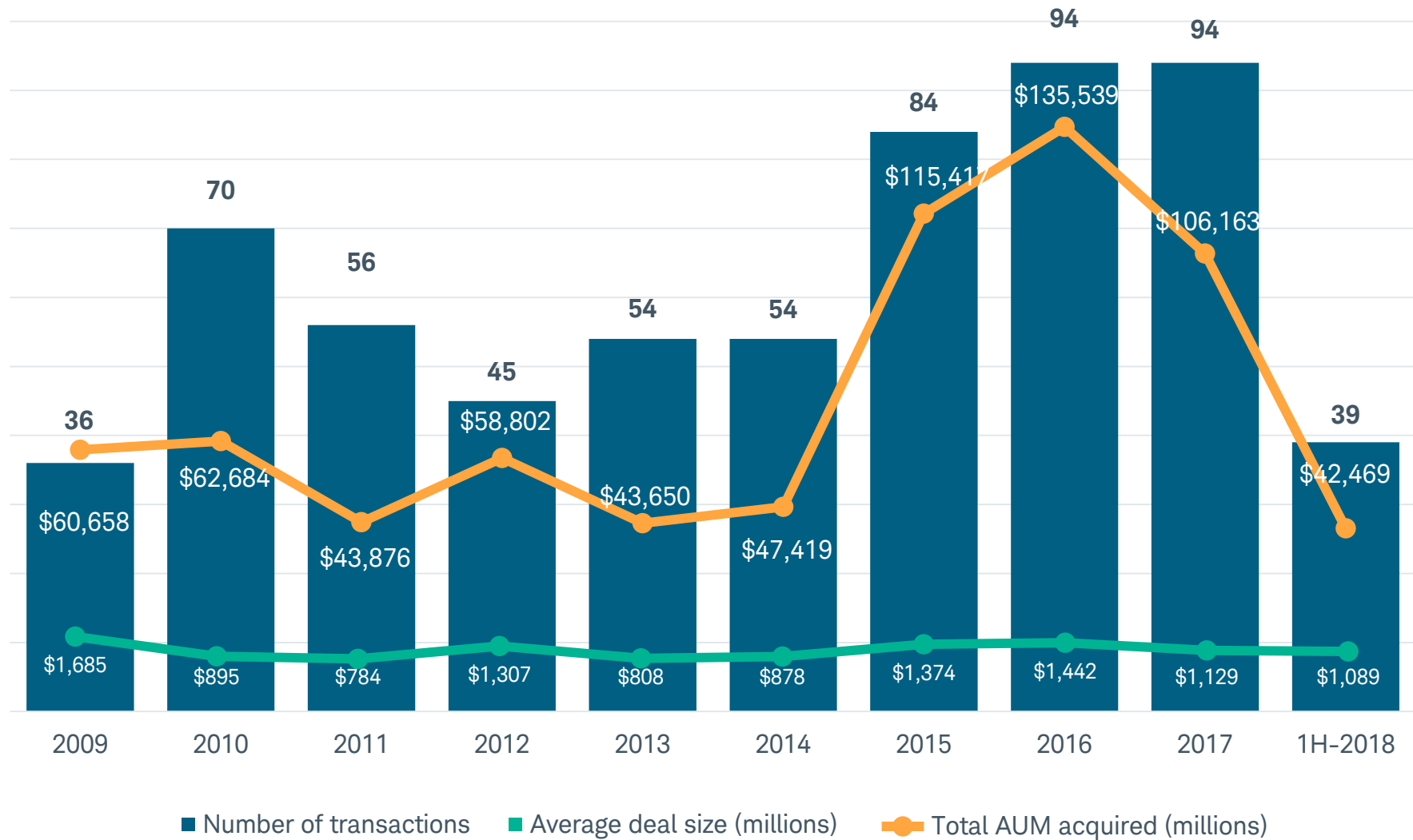
- 39 deals were completed in H1 2018.
- Q1 2018 was a standout quarter, with 31 deals completed.

## Who's Buying?

- Independent RIA firms made up nearly half (46%) of buyers, while strategic acquiring firms made up more than one quarter (28%) of buyers.
- Other buyers (private equity, brokers) made up 21% of buyers, up from just 12% in H1 2017.

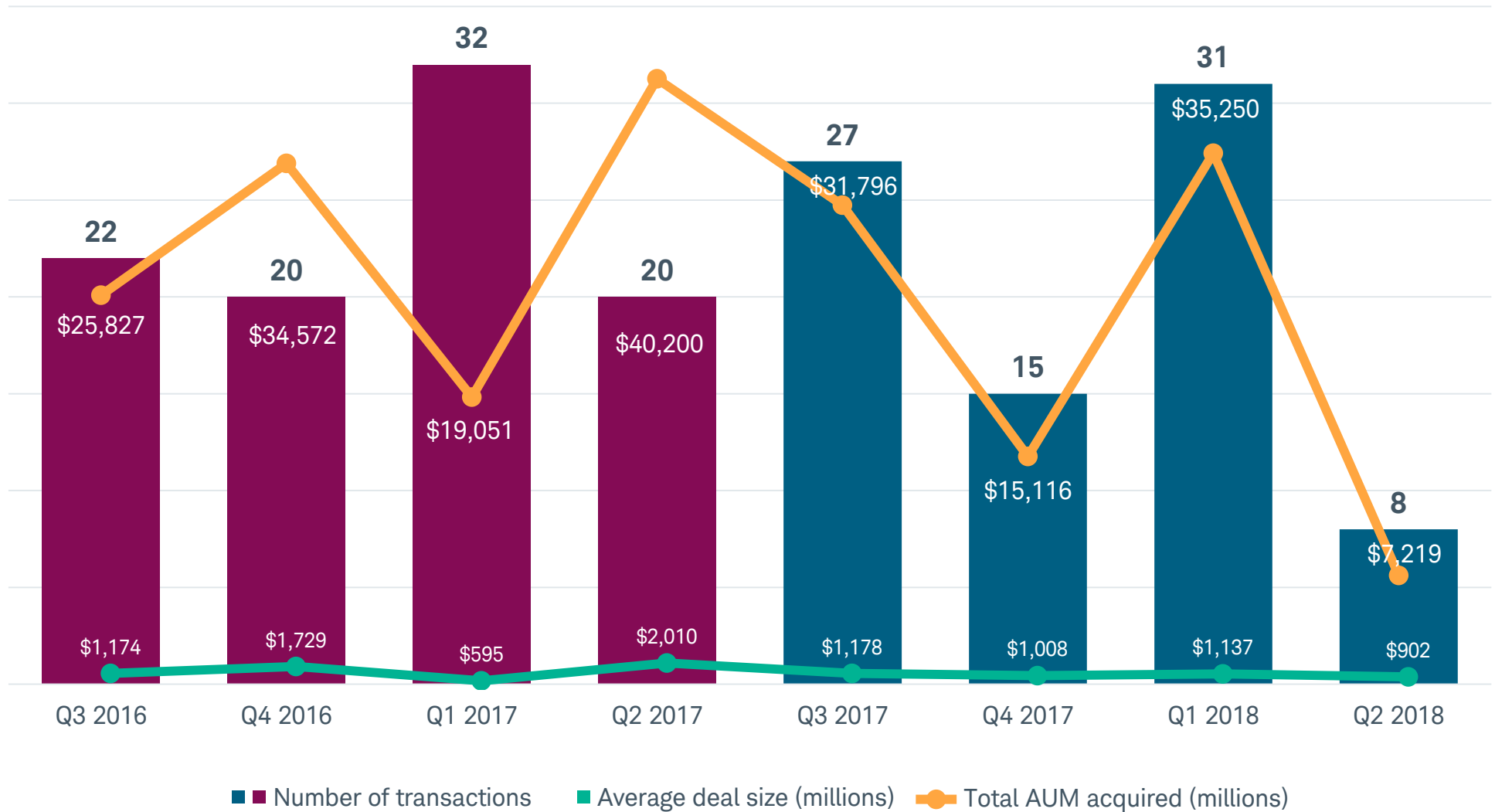
<sup>1</sup> H1 refers to Jan. - June 2018.

# Average deal size holds steady as transaction volume shifts down a gear



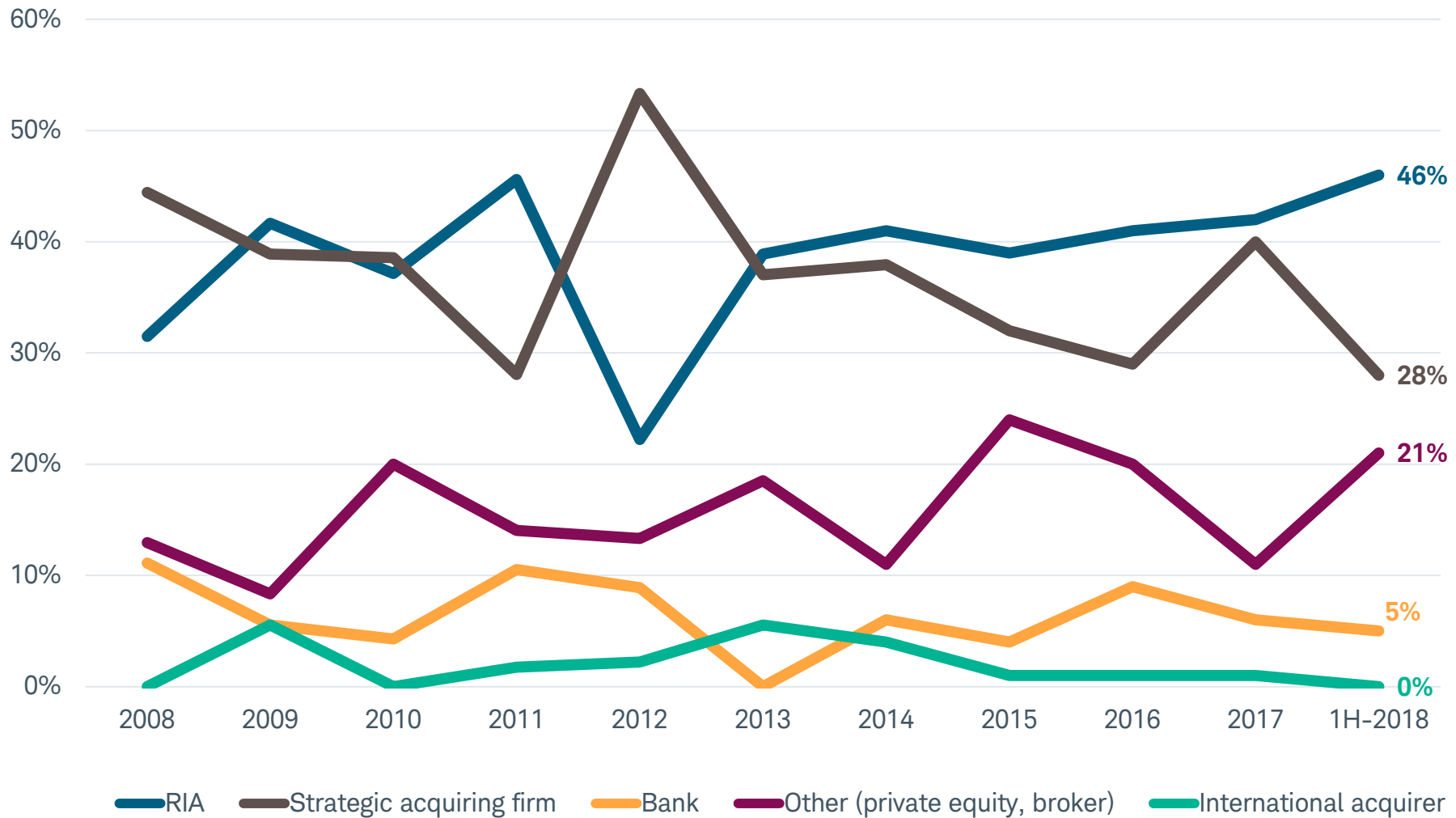
Source: Schwab Advisor Services, Strategic Business Development – 2018

# Q1 2018 is a standout quarter across deal metrics



Source: Schwab Advisor Services, Strategic Business Development – 2018

# RIA acquirers maintain lead as top buyers, while gap closes between strategic acquiring firms and private equity



Source: Schwab Advisor Services, Strategic Business Development – 2018

# 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 more than \$50 million in assets under management.
- 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.

