

# Independent Advisor Industry Transactions

Deals completed  
by year-end 2019

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# Record-setting M&A volume in 2019

## How many?

- 106 deals were completed in 2019, up 39% from 2018 and up 13% from 2017.
- 58 deals were completed in H1 2019; 48 completed in H2 2019.<sup>1</sup>
- Q1, with 30 completed deals, was the most active quarter of the year.

## How big?

- Average deal size was \$1.2 billion in 2019.
- The average deal size was down 7% from 2018 and up 9% from 2017.
- Average deal size peaked in Q4 2019, at \$1.76 billion.

## How much?

- Total assets under management (AUM) acquired in 2019 was \$129 billion.<sup>2</sup>
- The total AUM acquired was up 29% from 2018 and up 22% from 2017.

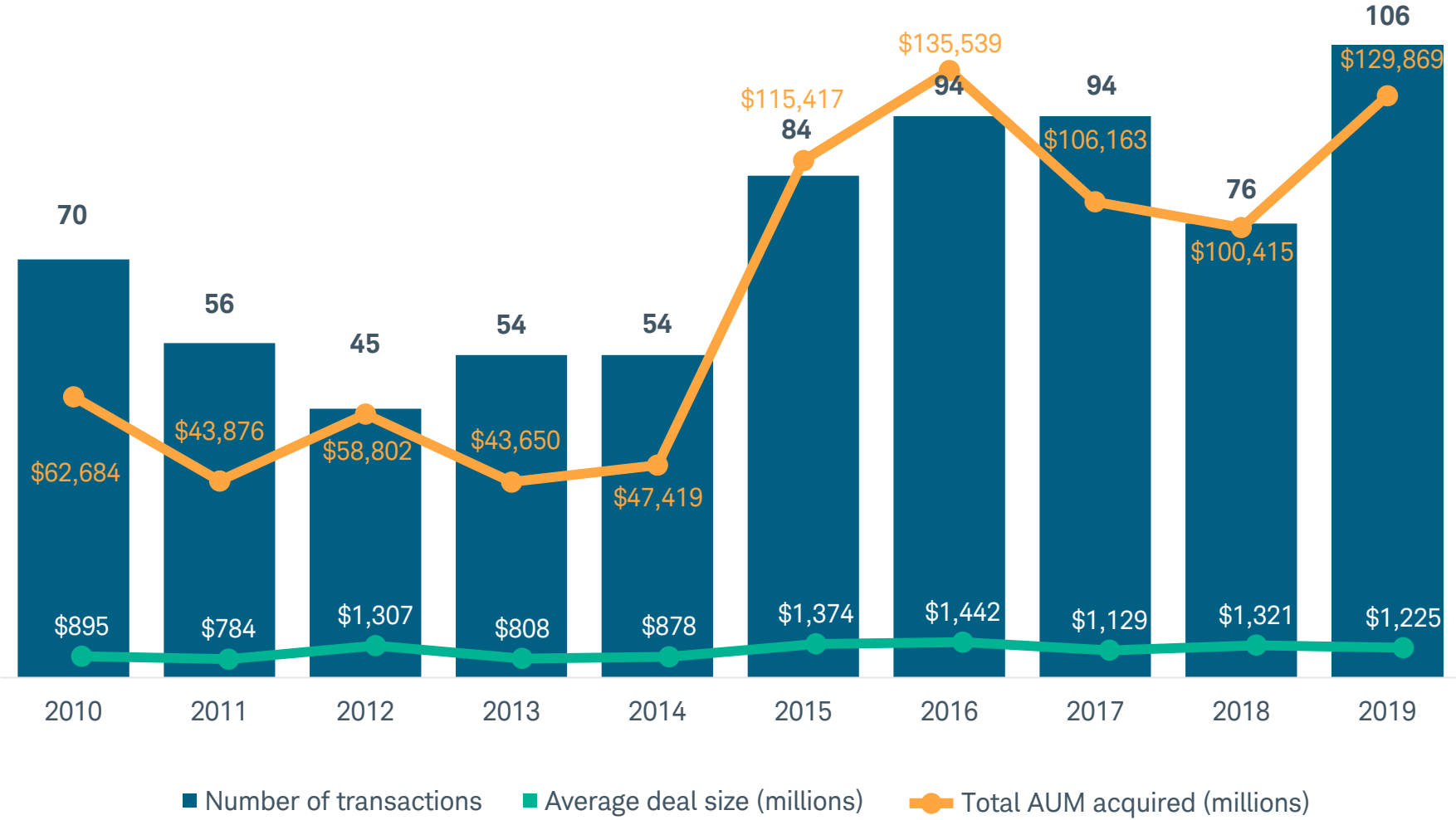
## Who's buying?

- Independent RIA firms made up more than half (58%) of buyers in 2019; RIAs comprised 42% of buyers in 2018.
- Private equity buying activity fueled larger M&A acquisitions.

1. H1 refers to Jan. - June 2019, and H2 refers to July - Dec. 2019.

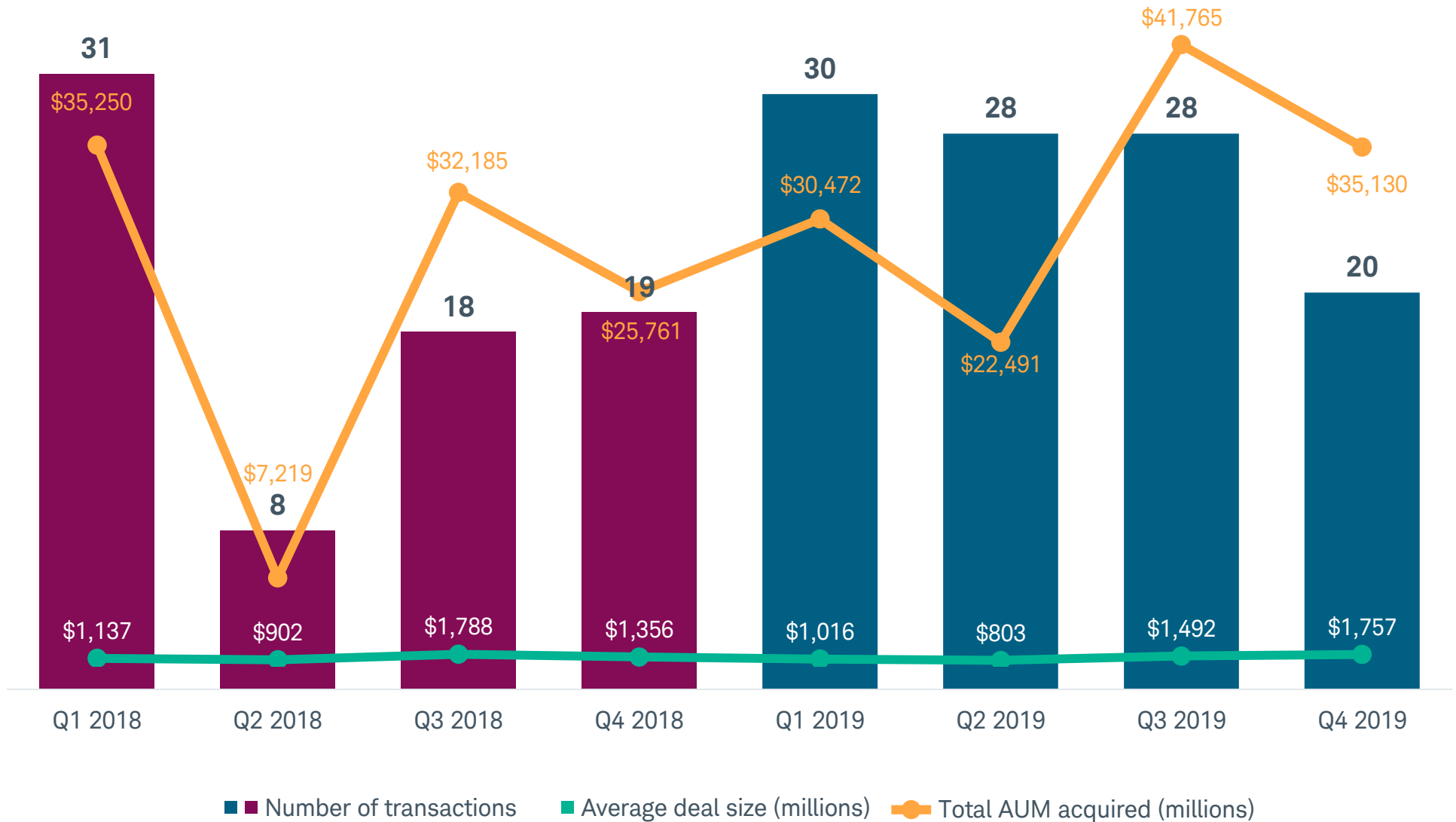
2. Refers to AUM acquired in transaction.

# Transaction volume reached all-time highs; deal value slightly down from 2018



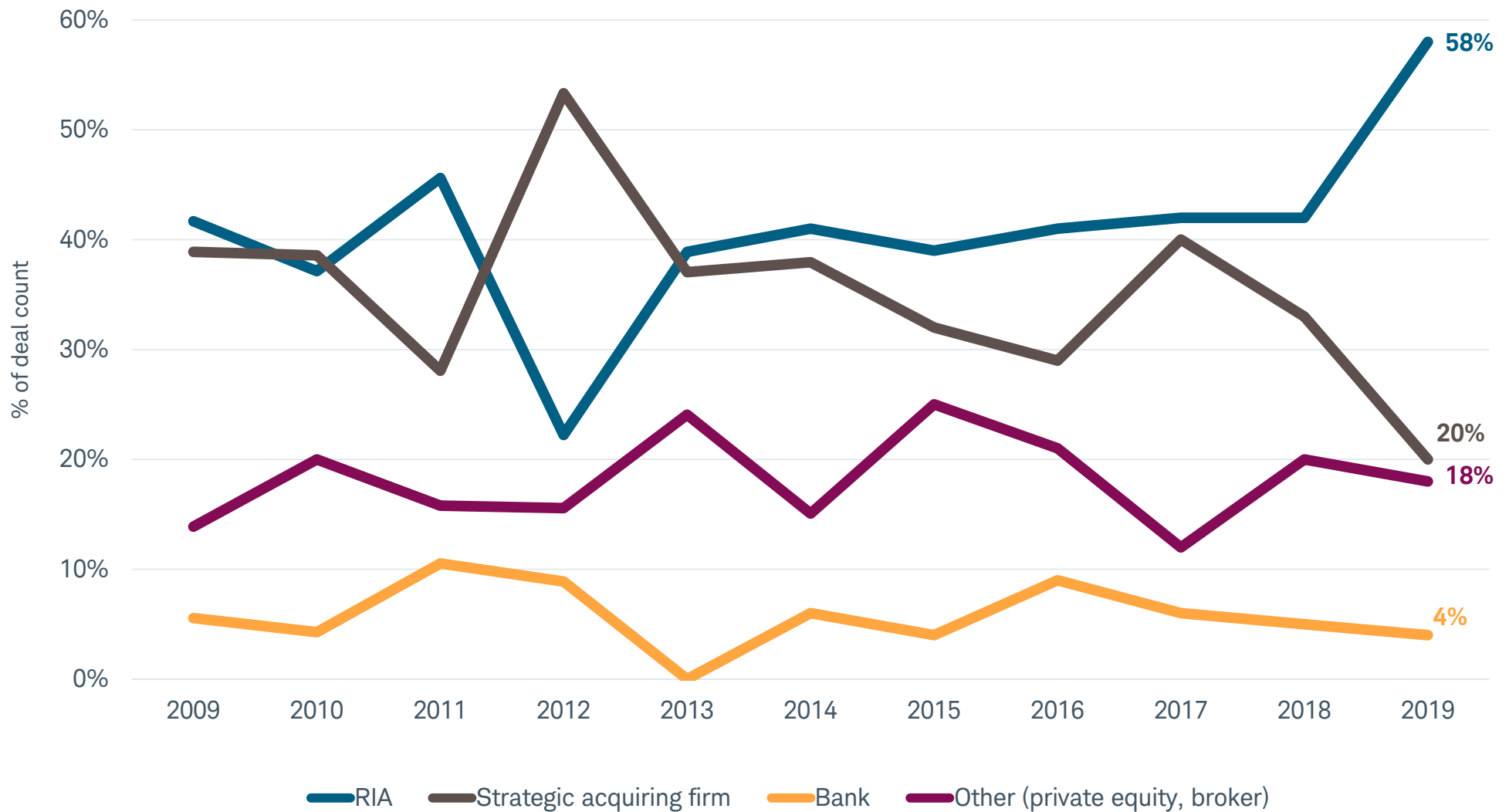
Source: Schwab Advisor Services, Strategic Business Development – 2020

# Total AUM acquired peaked in Q3 2019; deal value peaked in Q4 2019



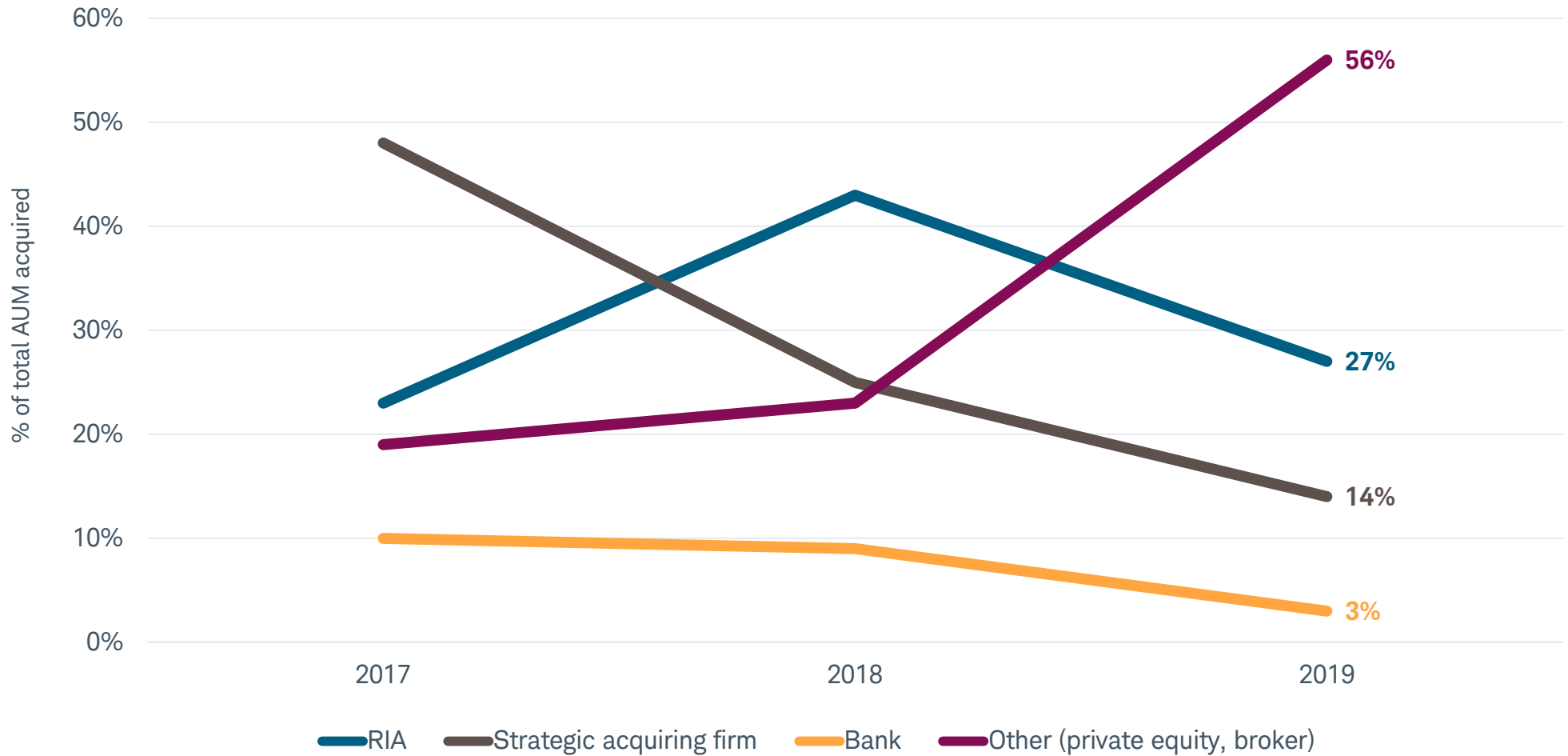
Source: Schwab Advisor Services, Strategic Business Development – 2020

# RIA firms were the most active buyers in 2019



Source: Schwab Advisor Services, Strategic Business Development – 2020

# Smaller transactions by RIA buyers drove activity while private equity firms completed fewer but larger deals



Source: Schwab Advisor Services, Strategic Business Development – 2020

# 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.



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