Independent Advisor Industry Transactions

Deals completed by year-end 2019

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Record-setting M&A volume in 2019

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<thead>
<tr>
<th>How many?</th>
<th>How big?</th>
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<td>▪ 106 deals were completed in 2019, up 39% from 2018 and up 13% from 2017.</td>
<td>▪ Average deal size was $1.2 billion in 2019.</td>
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<td>▪ 58 deals were completed in H1 2019; 48 completed in H2 2019.</td>
<td>▪ The average deal size was down 7% from 2018 and up 9% from 2017.</td>
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<td>▪ Q1, with 30 completed deals, was the most active quarter of the year.</td>
<td>▪ Average deal size peaked in Q4 2019, at $1.76 billion.</td>
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<th>How much?</th>
<th>Who’s buying?</th>
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<td>▪ Total assets under management (AUM) acquired in 2019 was $129 billion.</td>
<td>▪ Independent RIA firms made up more than half (58%) of buyers in 2019; RIAs comprised 42% of buyers in 2018.</td>
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<td>▪ The total AUM acquired was up 29% from 2018 and up 22% from 2017.</td>
<td>▪ Private equity buying activity fueled larger M&amp;A acquisitions.</td>
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2. Refers to AUM acquired in transaction.

Source: Schwab Advisor Services, Strategic Business Development – 2020
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
Smaller transactions by RIA buyers drove activity while private equity firms completed fewer but larger deals.
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.