

# Independent advisor industry transactions

Deals completed  
in second half 2020

Media contact:

Meredith Richard  
646-343-7419  
Meredith.Richard@schwab.com

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# M&A volumes bounced back in the second half of 2020, and equity valuations continued to rise

## How many?

- Deal volumes were back to record levels in H2 2020.<sup>1</sup>
- 56 deals were completed in H2 2020, up 86% from H1 2020 and up 17% from H2 2019.

## How big?

- The average deal size in 2020 was \$1.5B, up 27% from 2019 and up 18% from 2018.
- 38% of the sellers in H2 2020 had greater than \$1B in assets

## How much?

- Total AUM acquired in H2 2020 was \$106B, up from \$28B in H1 2020.<sup>2</sup>
- The total AUM acquired in 2020 was down 3% from 2019 and up 34% from 2018.

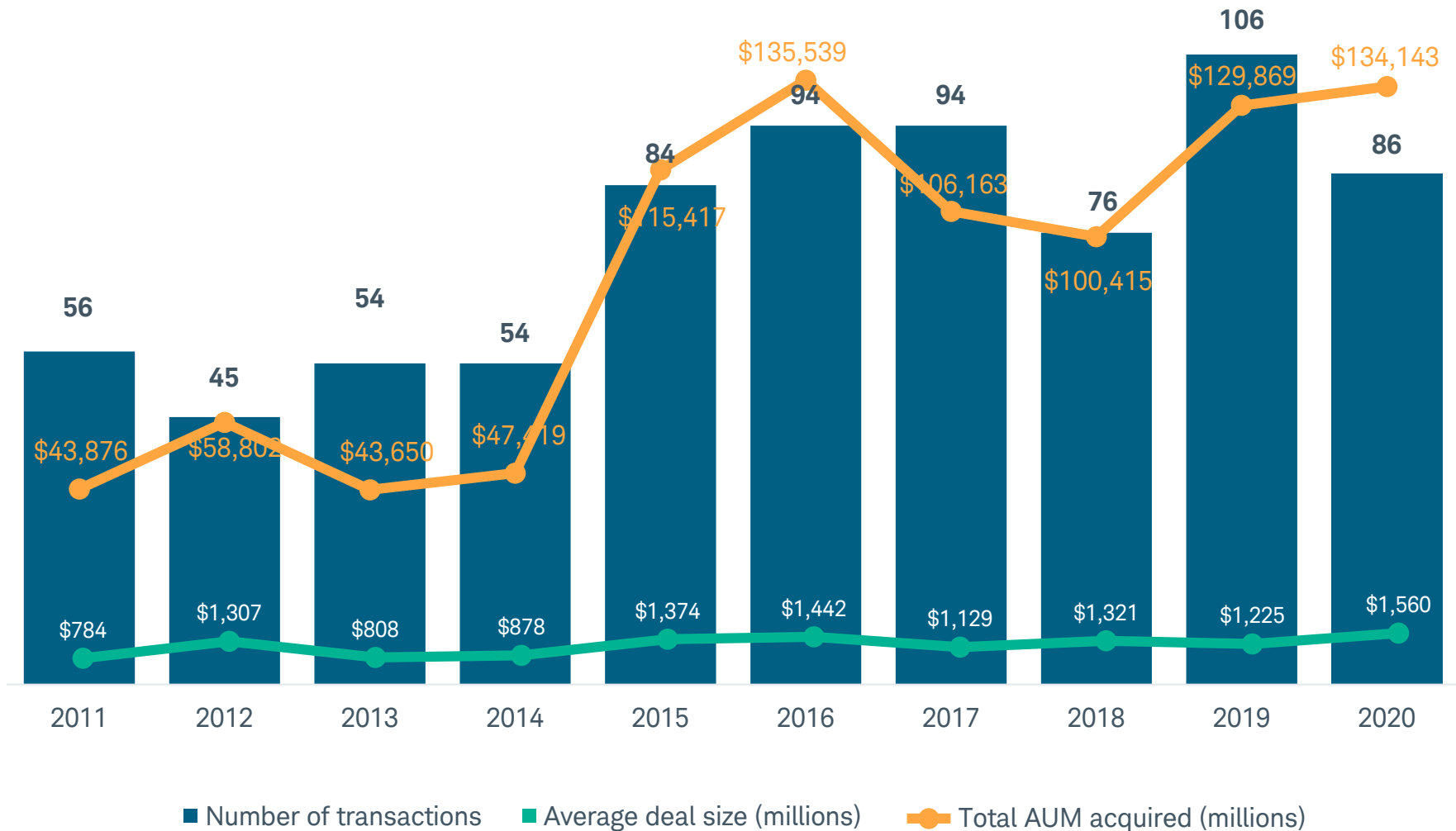
## Who's buying?

- The majority of buyers in 2020 were existing RIAs.
- Private Equity buyers continued to represent the largest acquisitions.

1. H2 refers to July - Dec.

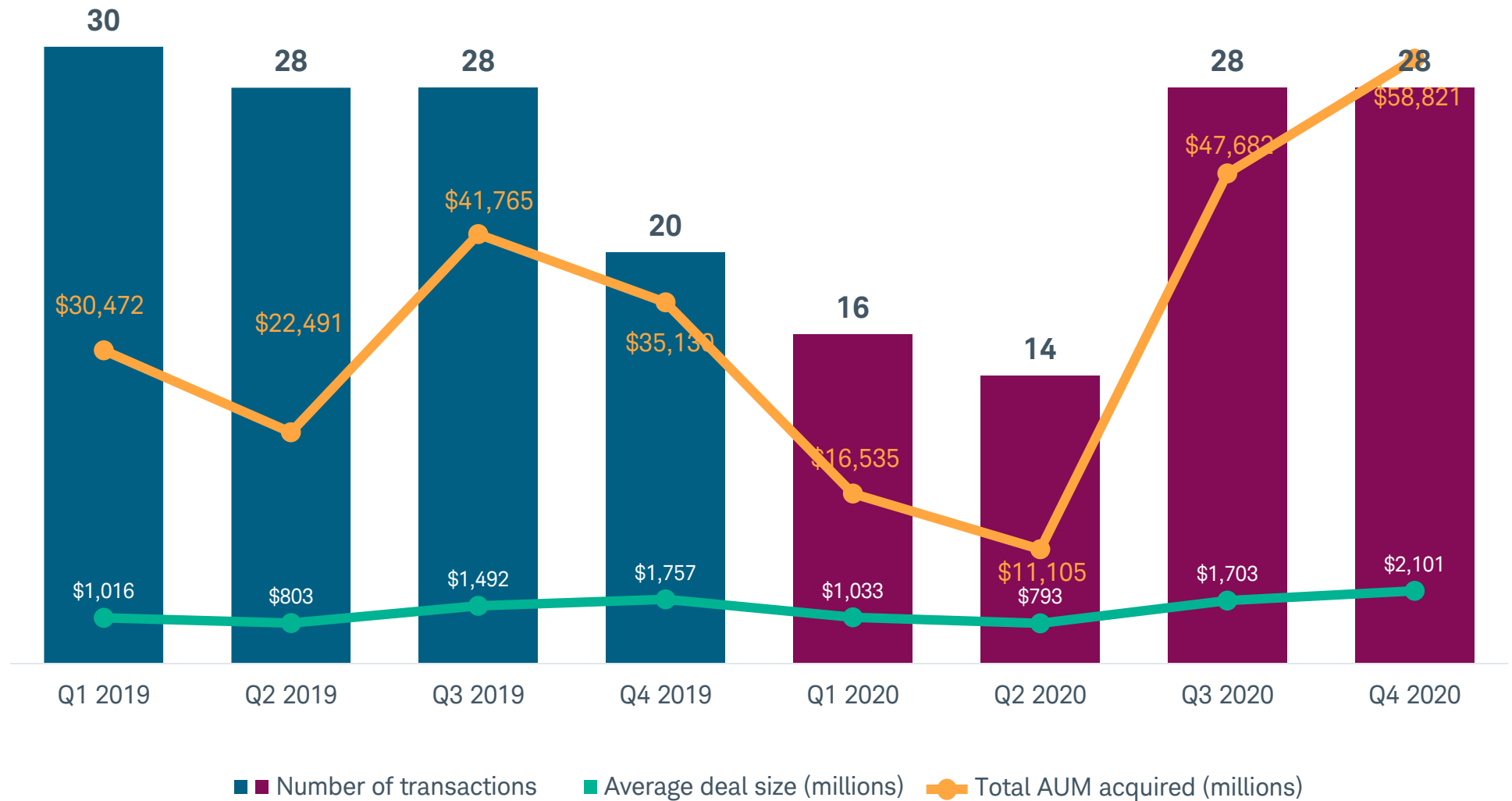
2. Refers to AUM acquired in transaction.

# Despite the pandemic and market volatility, 2020 saw the largest average M&A deal size on record



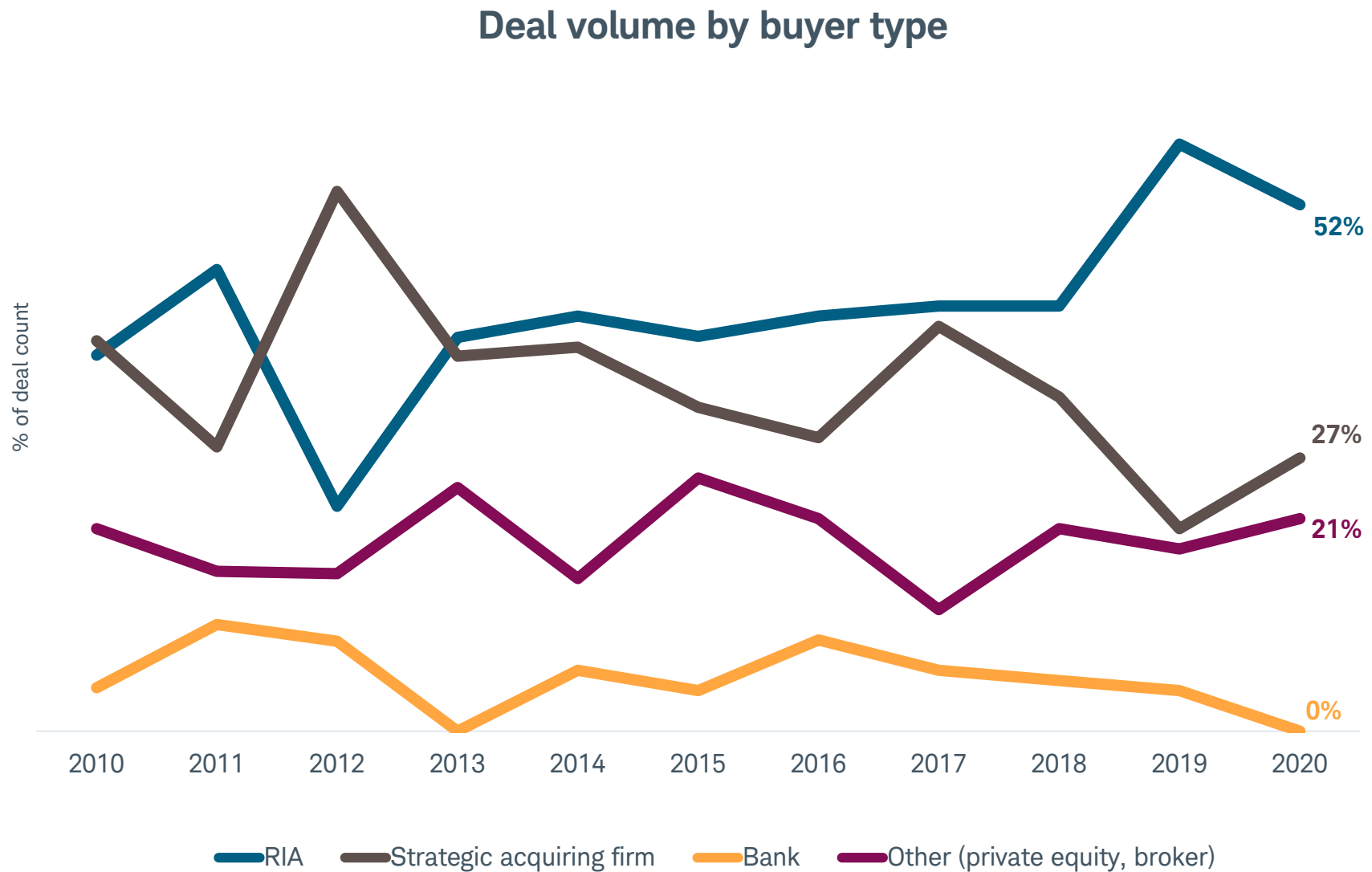
Source: Schwab Advisor Services, Strategic Business Development – 2020

# M&A deal volume rebounded in 2020 as the industry adjusted to the new normal



Source: Schwab Advisor Services, Strategic Business Development – 2020

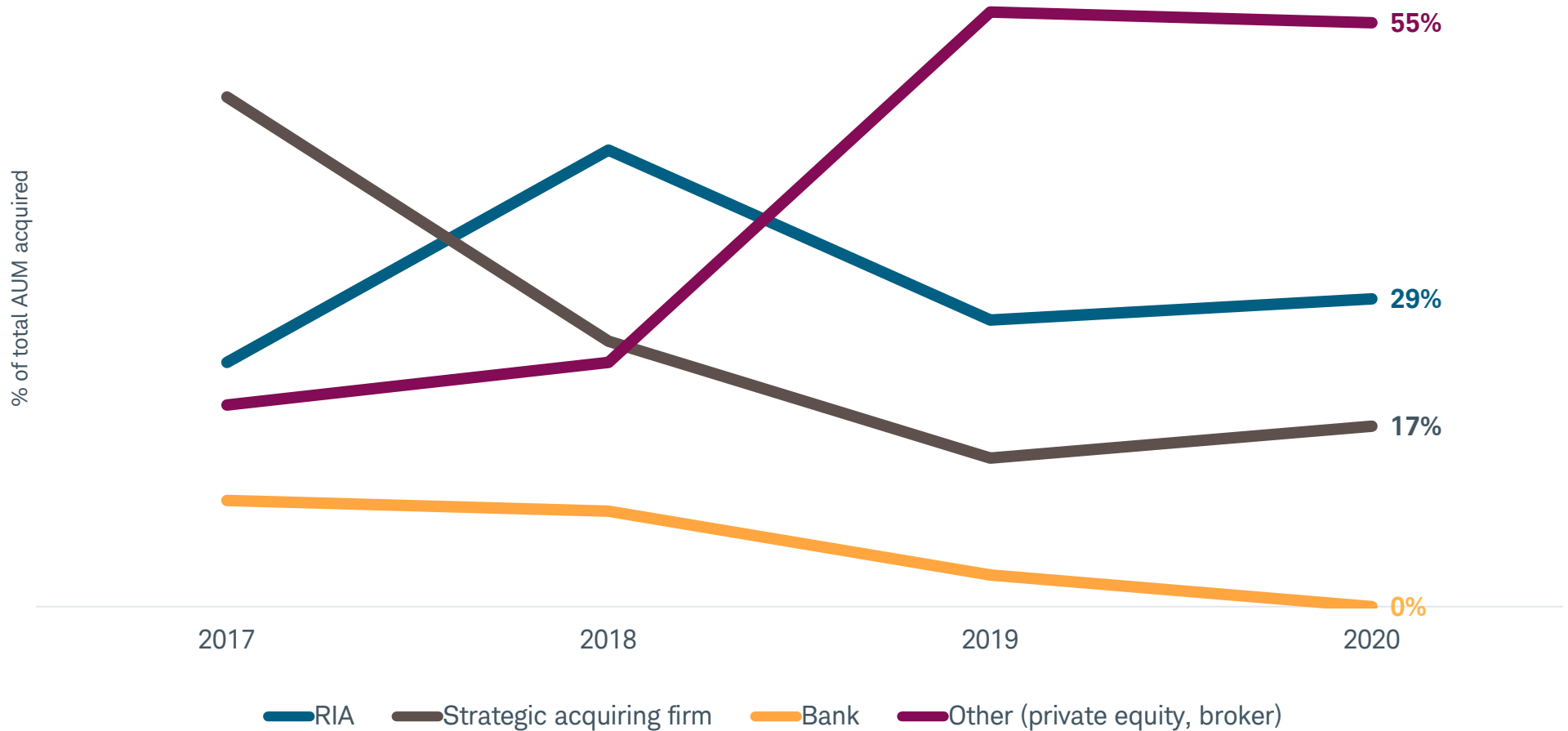
# Existing RIA firms continue to be the most active buyers



Source: Schwab Advisor Services, Strategic Business Development – 2020

# A larger number of transactions by RIAs drove activity, while private equity firms completed fewer but larger deals

## AUM acquired by buyer type



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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