

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 2017¹, continuing the momentum in H1 2016, in which 52 deals also occurred
- Thirty-two transactions in Q1 2017; 20 in Q2 2017

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

How Much?

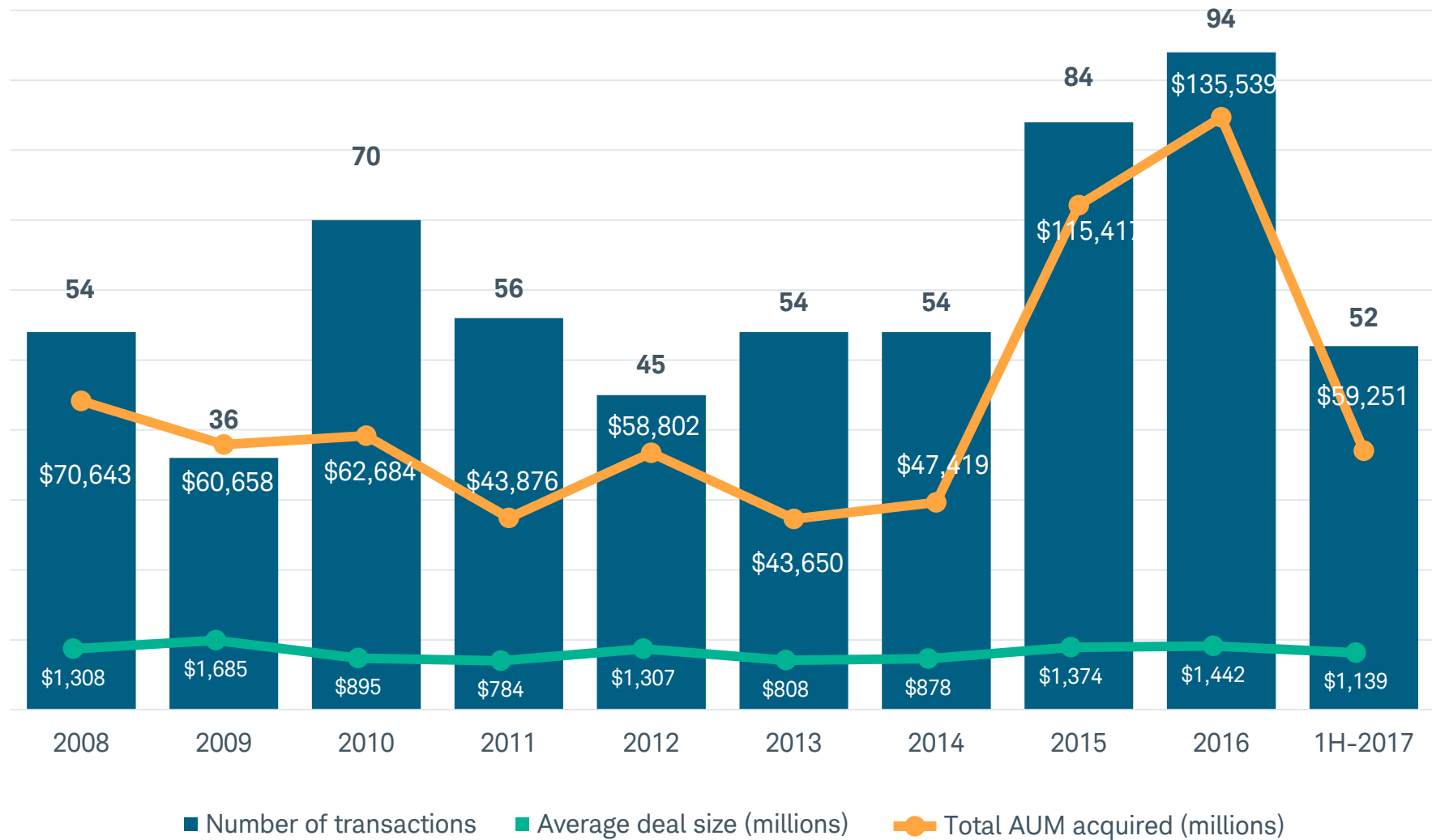
- **\$59 billion in AUM was acquired** in H1 2017, compared to \$75 billion in H1 2016
- Deal sizes ranged from \$77 million to \$17 billion in AUM acquired.

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

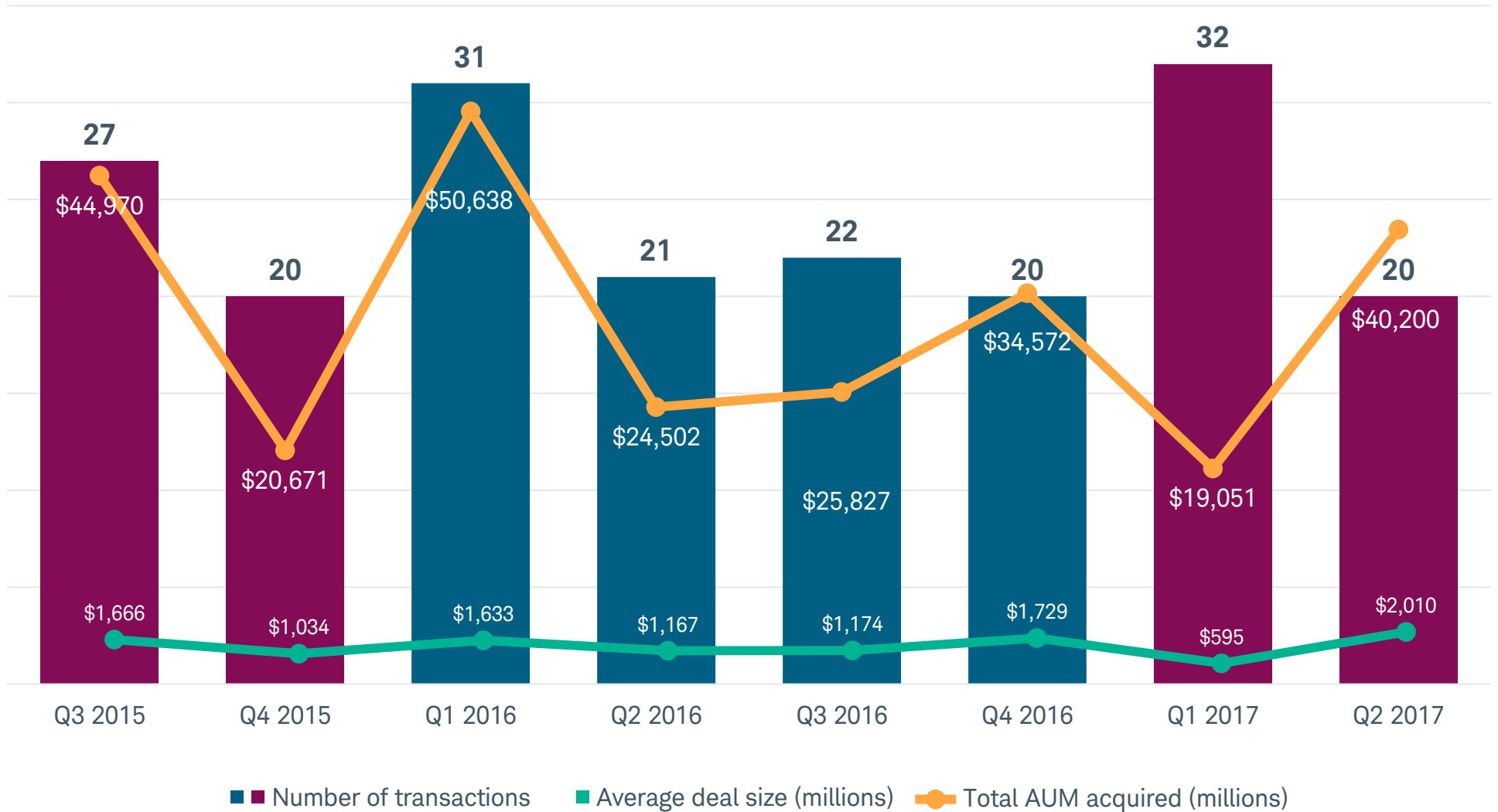
¹ H1 refers to Jan. – June 2017

2017 transaction volume keeping pace with 2016 total



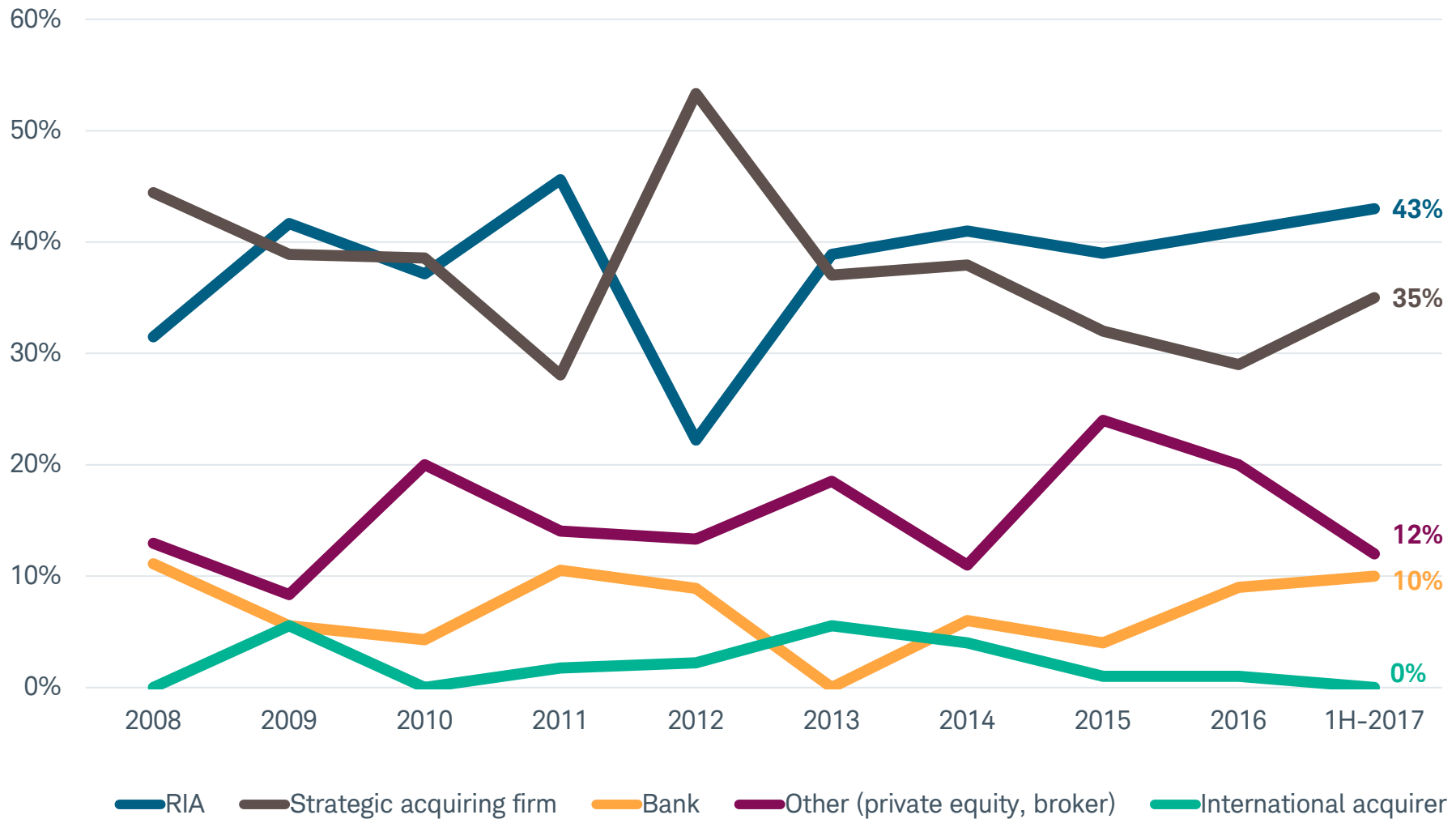
Source: Schwab Advisor Services, Strategic Business Development – 2017

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.

