

# Independent Advisor Industry Transactions

Deals completed  
by year-end 2017

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# M&A activity maintained momentum in 2017

## How Many?

- 94 deals were completed through December 31.
- 52 deals were completed in H1 2017; 42 completed in H2 2017.<sup>1</sup>
- Q1, with 32 completed deals, was the most active quarter of the year.

## How Much?

- Total AUM acquired in 2017 was \$106 billion.<sup>2</sup>
- Deal size covered the spectrum, ranging from \$50 million to \$17 billion in AUM acquired.

## How Big?

- Average deal size was \$1.13 billion, down slightly from \$1.44 billion in 2016.
- Average deal size peaked in Q2 2017, at \$2.01 billion.

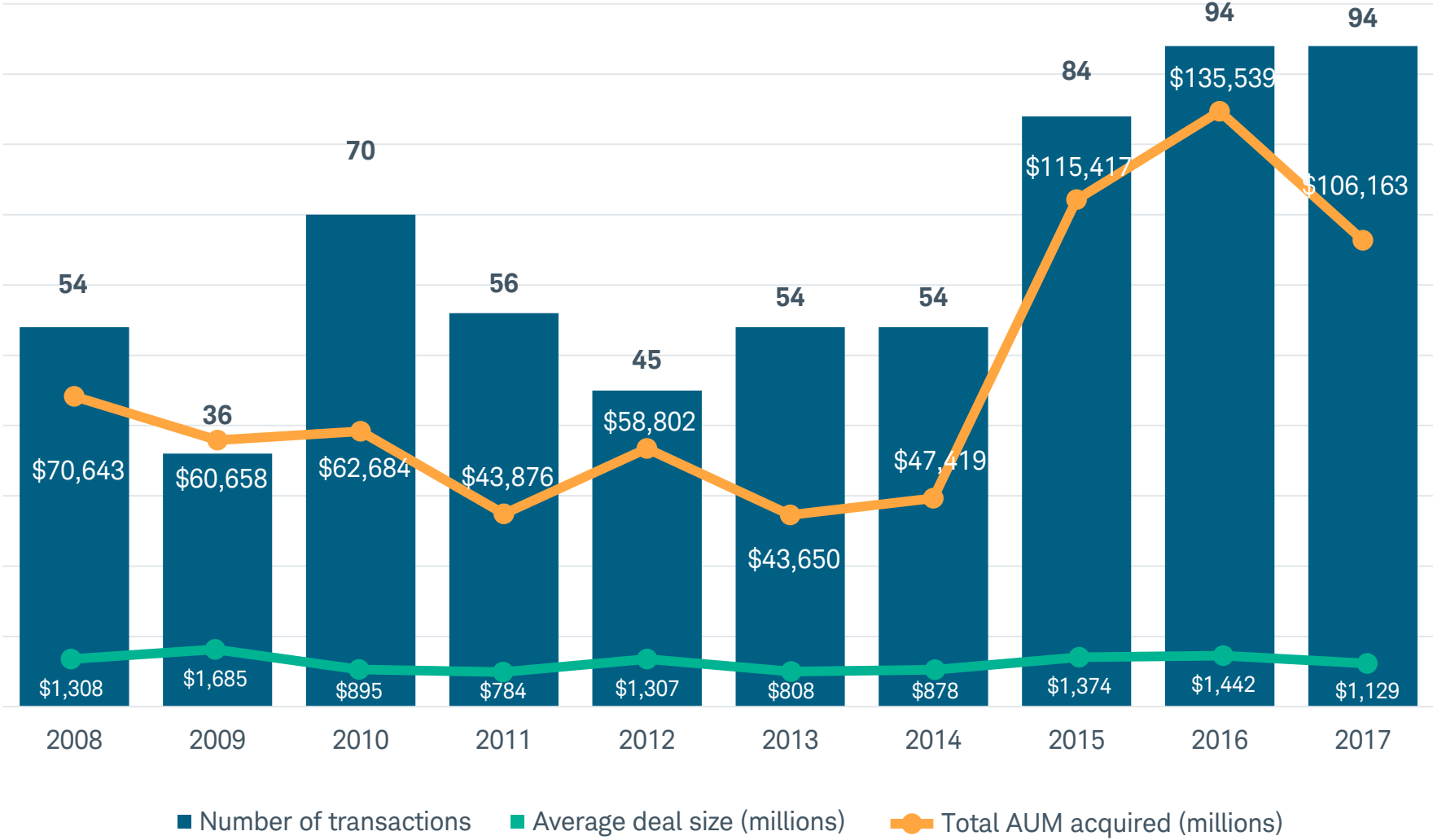
## Who's Buying?

- Strategic acquiring firms' buying activity rose to 40% from 29% in 2016.
- Independent RIA firms made up 42% of buyers in 2017; RIAs comprised 41% of buyers in 2016.
- Private equity buying activity dropped to 11% from 20% in 2016.

<sup>1</sup> H1 refers to Jan. - June 2017, and H2 refers to July - Dec. 2017.

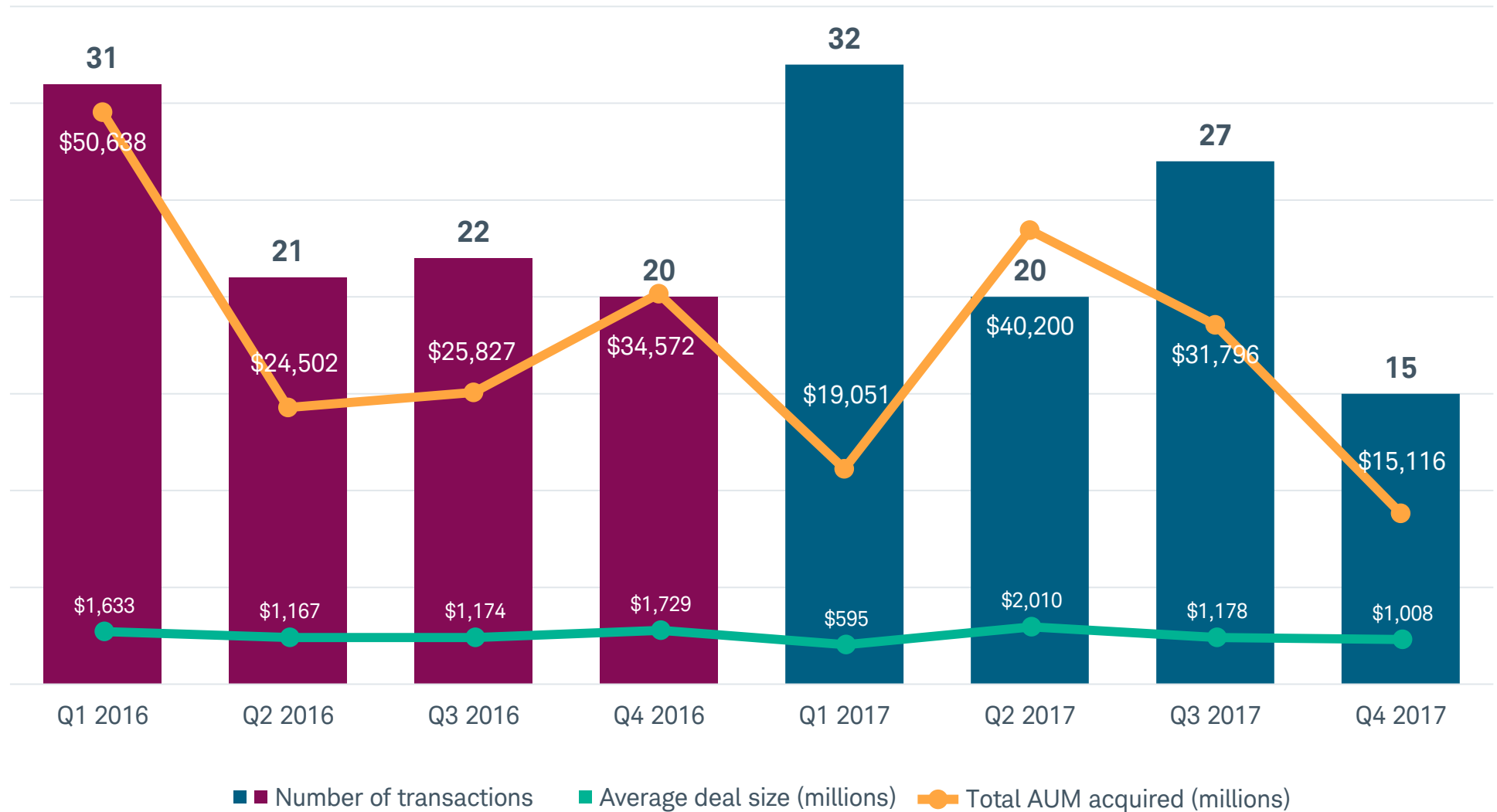
<sup>2</sup> Refers to AUM acquired in transaction.

# Transaction volume remains strong; deal value slows from 2016 peak



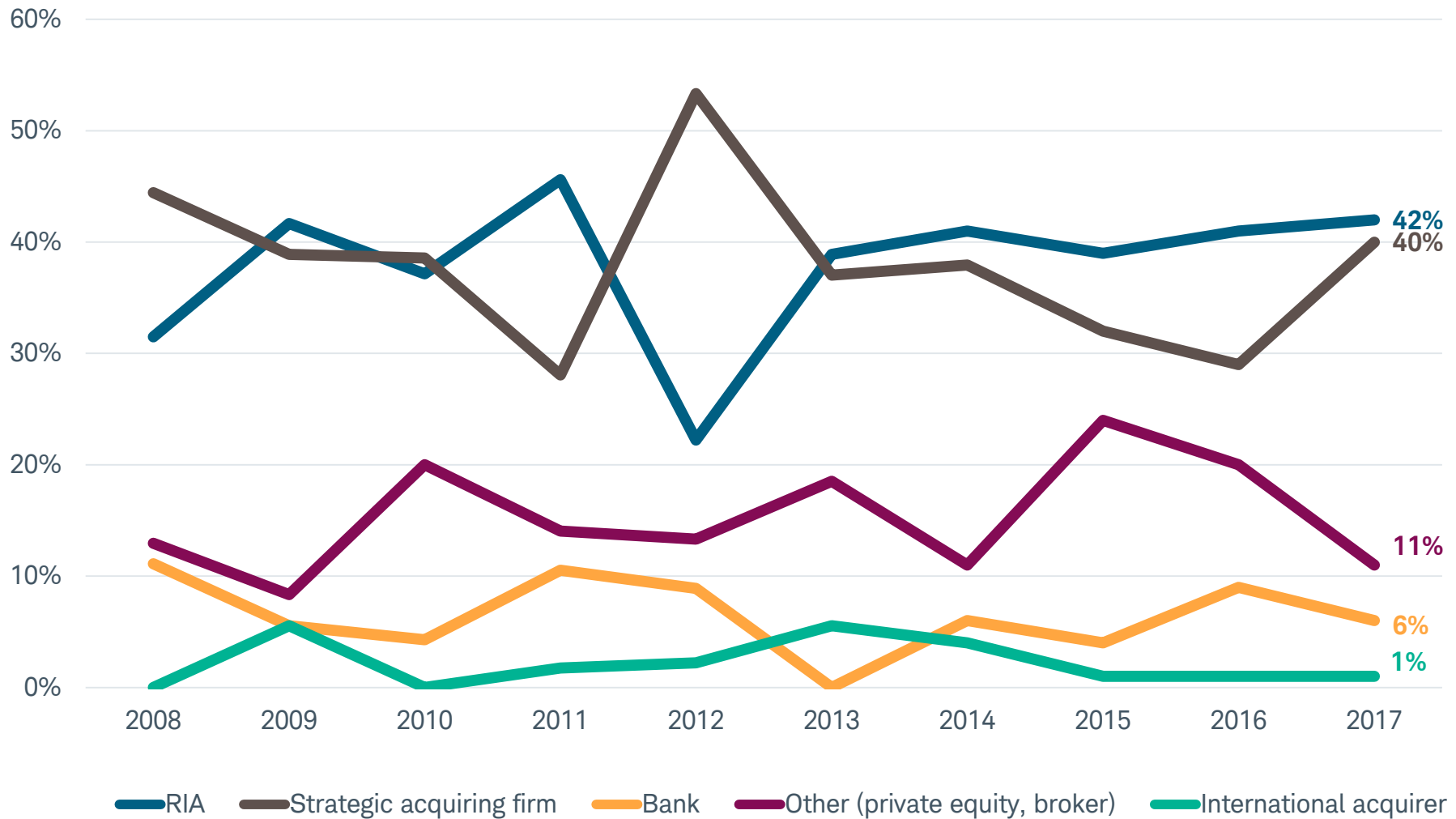
Source: Schwab Advisor Services, Strategic Business Development – 2017

# Average deal size reaches \$2 billion; \$1 billion+ deals become the new normal



Source: Schwab Advisor Services, Strategic Business Development – 2017

# RIAs and strategic acquirers drive buying activity as private equity takes a back seat



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.

