

RIA DEALS SET RECORD IN 2016

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M&A in the RIA space hit record levels last year, reports InvestmentNews.

The 138 deals for the year surpassed 2014's 125, according to **Echelon Partners**.

Since 2009, deals have increased at a 16% compound annual rate.

Increased consolidation is being prompted by "an aging adviser community, growing technological challenges, and increased regulatory oversight, including the Department of Labor's looming fiduciary rule," InvestmentNews says.

Breakaways of wirehouse teams exceeded 400 last year and in 2015. Among breakaways, more than 15% are now RIAs, according to Echelon. That's a steadily growing trend: 66 breakaway teams went to RIAs in 2016, up from 64, 57 and 30 in each respective previous year.

Meanwhile, bigger chunks of assets are changing hands through M&A. Last year's average deal involved more than \$1 billion of AUM. Acquired RIA AUM for the past two years was more than double the average seen between 2010 and 2014.

RIAs are facing more competition from competing buyers such as strategic acquirers and consolidators: They did the acquiring 42% of the time last year, compared with 47% in 2013.