

BILLION-DOLLAR DEALS AND BREAKAWAY SURGE FOR RIA M&A

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2016 proved to be a record-setting year for RIA M&A deals and the pace shows no sign of slowing this year, according to research and consulting firm **Echelon Partners**.

"We anticipate a significant increase in advisers looking to drive inorganic growth through an M&A strategy," says Echelon CEO **Dan Seivert**.

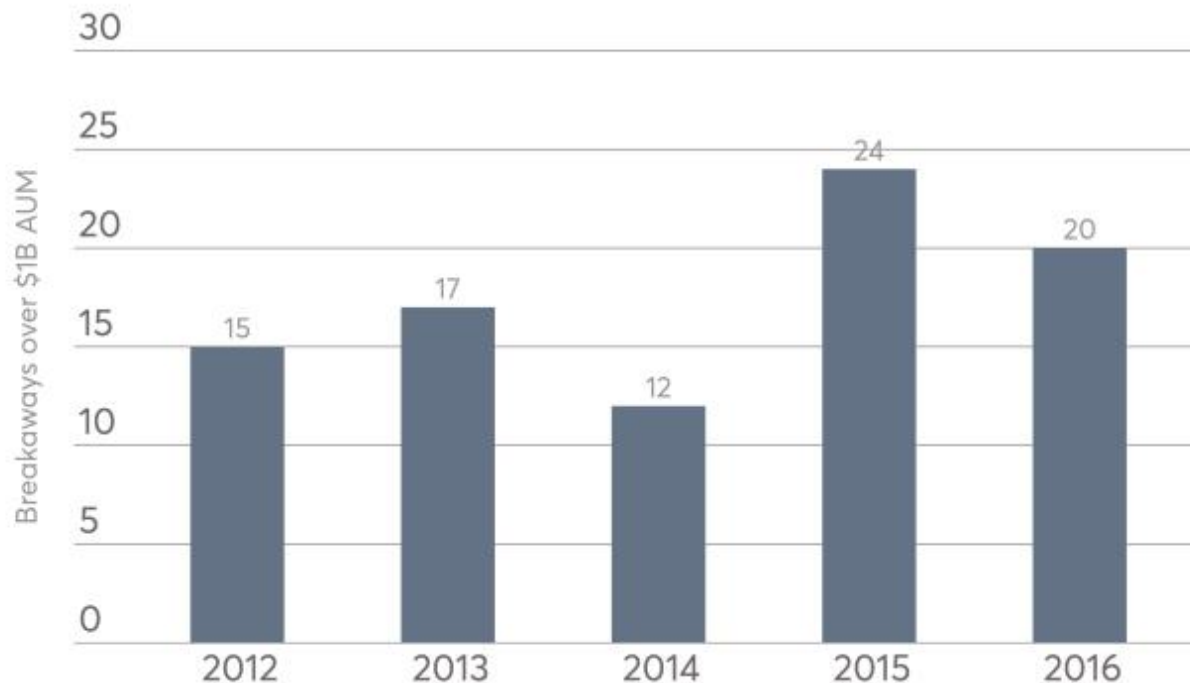
What were some of last year's outstanding benchmarks and what are this year's prospects?

Echelon's inaugural RIA M&A DealBook reveals key metrics that will be of keen interest to both RIA buyers and sellers, including overall deal activity, transactions involving breakaways and billion dollar deals — and where those deals are actually taking place.

All data comes from Echelon Partners analysis, the SEC's IARD website and company reports.

Breakaways with over \$1B in AUM fell in 2016

The number slipped to 20 from 24.

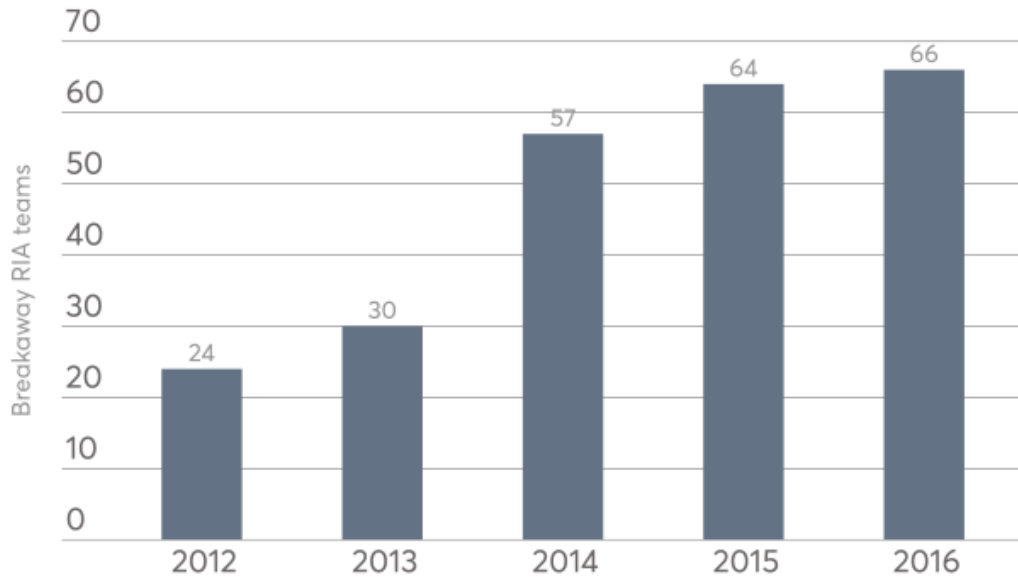


Source: SEC database, company reports, media reports, Echelon analysis

Deals involving big breakaways are usually slower and more complicated, but Echelon believes the pace will pick up this year.

Breakaway teams joining RIAs at record highs

The number has more than doubled over the past five years.

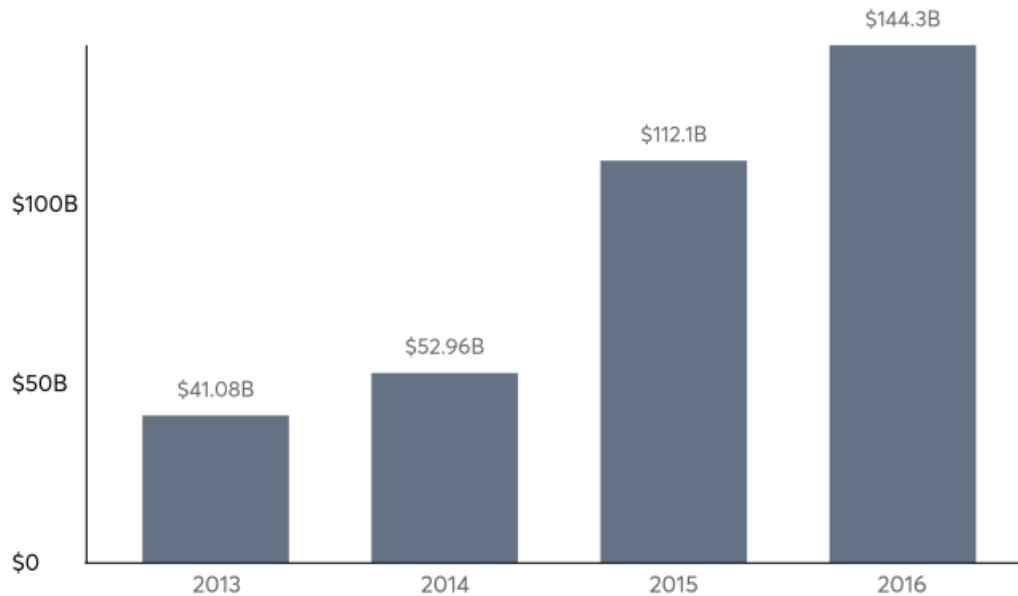


Source: SEC database, company reports, media reports, Echelon analysis

Teams continue to gravitate to the RIA Channel.

M&A deals hit record high in AUM for second year in a row

Echelon Partners found total acquired assets grew by over 25% in 2016.

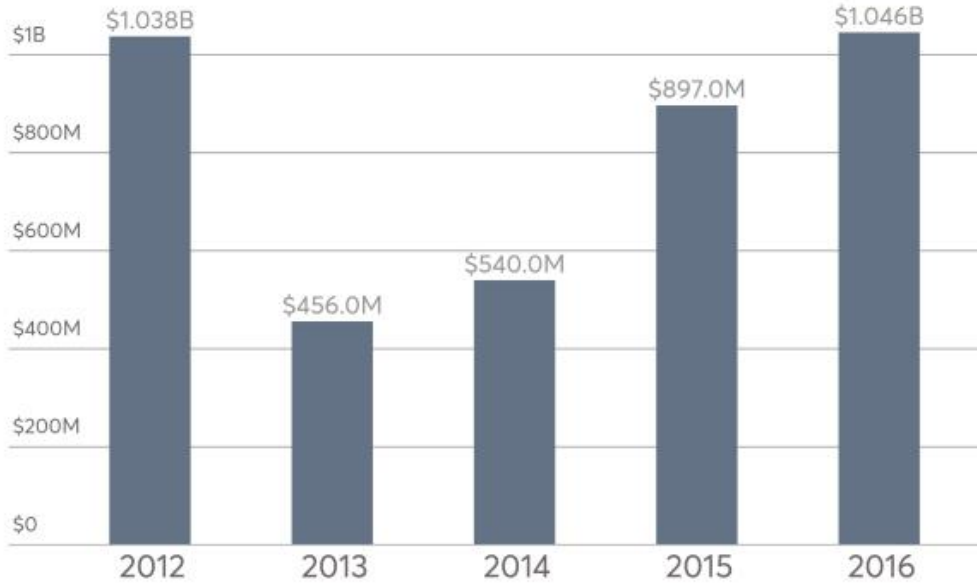


Source: Company reports, SEC IARD, Echelon analysis

ECHELON Believes the aggregate AUM total for RIA deals will continue to climb

Deal size reaches a five-year high

More than \$1B in AUM changed hands during the average M&A deal

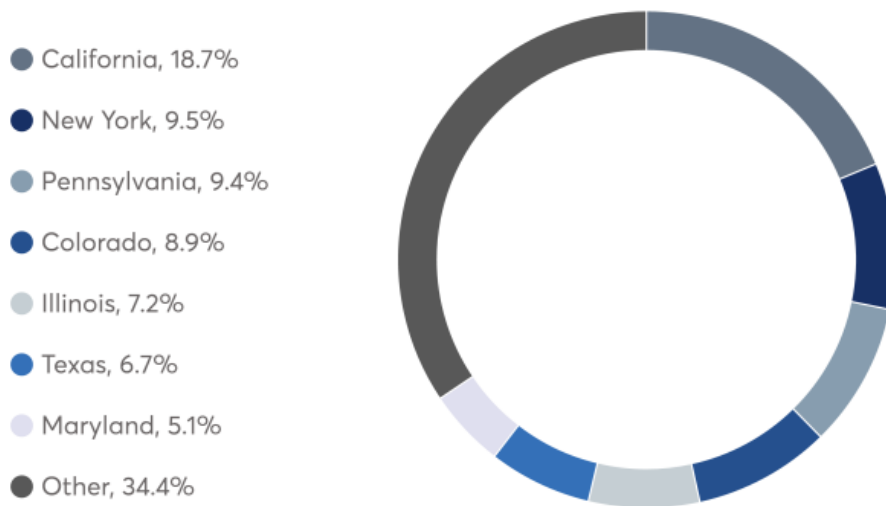


Source: Company reports, SEC IARD, Echelon analysis

Billion-dollar deals are no longer a rarity.

Over 18% of sellers in M&A deals came from California

Over half of all firms acquired in 2016 are based in the top five states.

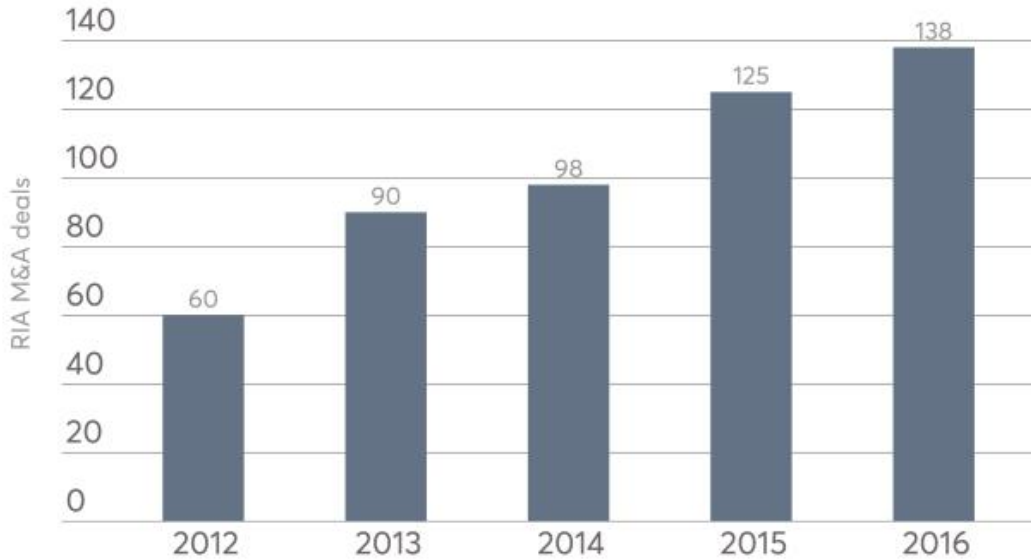


Source: Company reports, SEC IARD, Echelon analysis

Wealth growth in California is booming, a fact reflected in the number of deals consummated in the Golden state.

RIA M&A deal volume hit new record in 2016

The number of acquisitions has reached new highs each of the past four years.

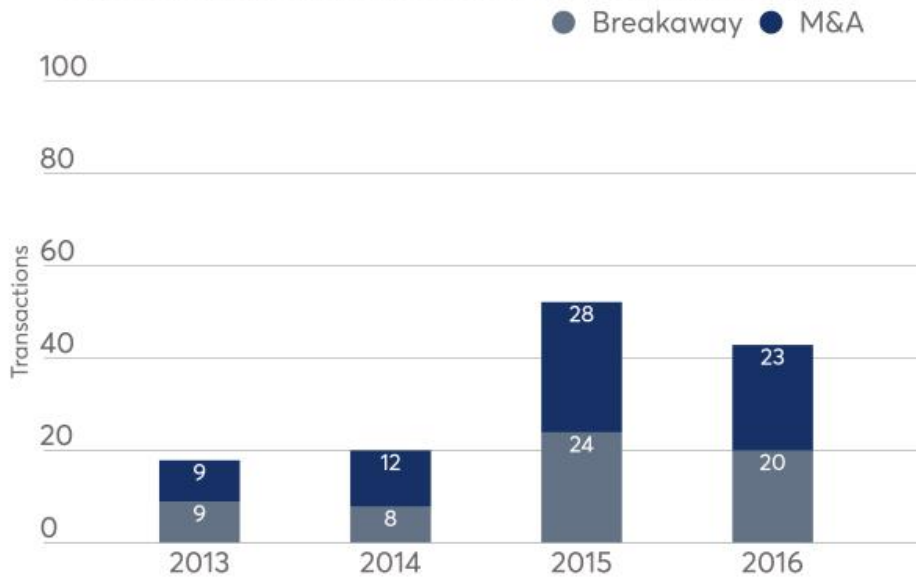


Source: Company reports, SEC IARD, Echelon analysis

Growth trends suggest M&A activity in 2017 will surpass last year's, according to ECHELON.

Transactions over \$1B fell slightly in 2016

Both breakaways and M&A deals declined in the past year.

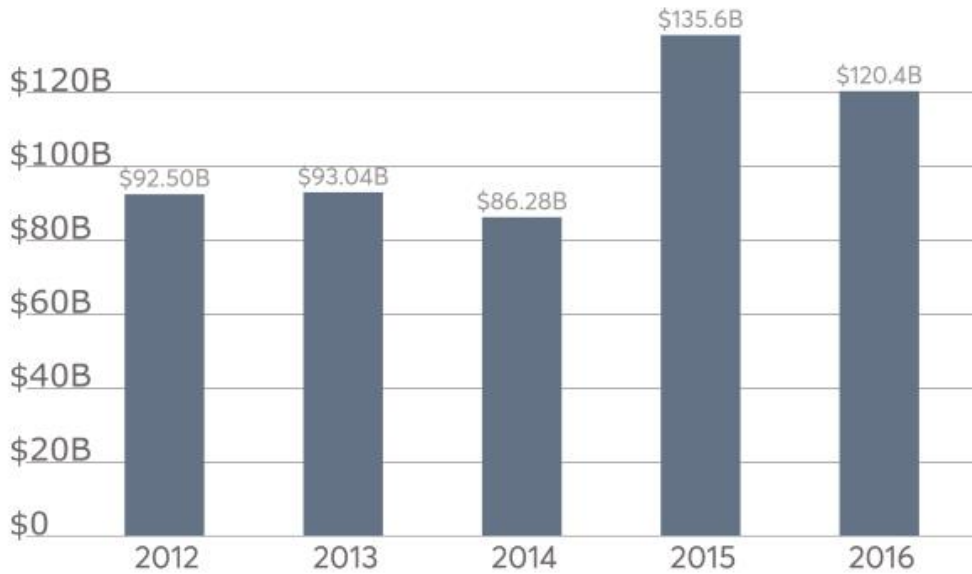


Source: Company reports, SEC IARD, media reports, Echelon analysis

While the number of billion dollar deals dipped last year, the total doubled from 2014.

Total AUM of reported breakaways fell in 2016

The collective overall sum remained higher than in 2014.

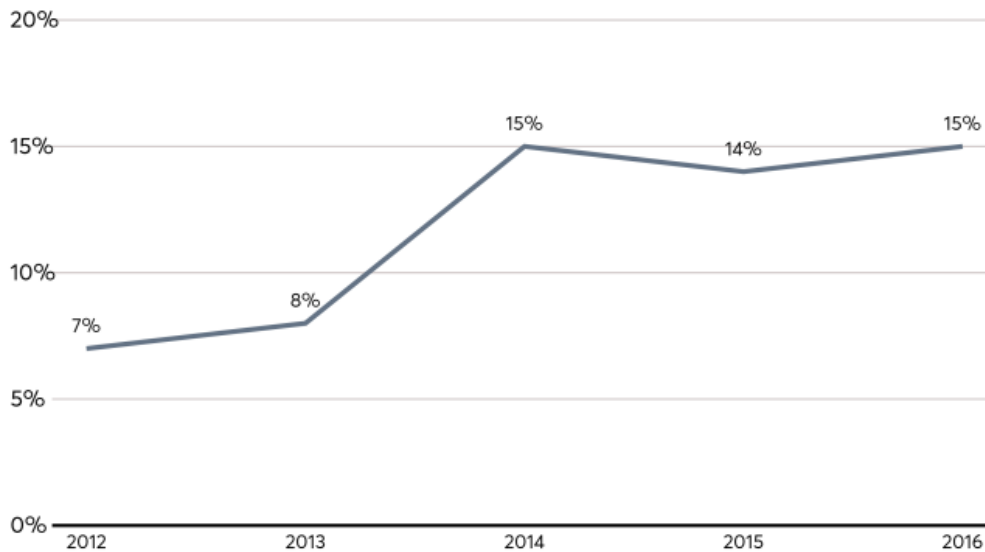


Source: SEC database, company reports, media reports, Echelon analysis

Annual growth for the number of breakaways has averaged over 12% for the past six years.

Breakaway advisers chose RIAs

The percentage of reported breakaway teams joining RIAs has doubled since 2012.



Data: SEC database, company reports, media reports, Echelon analysis

Annual growth has slipped in recent years, however, and uncertainty surrounding the fiduciary rule may be a reason.