

## RIA INDUSTRY BREAKS M&A RECORD FOR FOURTH YEAR IN A ROW

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According to **ECHELON Partners** data, wealth management transactions reached a record high of 168 in 2017, up 22% from last year, says **Daniel Seivert, CEO and Managing Partner** of ECHELON Partners, a boutique investment bank and consulting firm to the wealth and investment management industry.

"It's an all-time high," Seivert says. "It's definitely the strongest year of RIA M&A activity that we've seen."

Factors driving the record M&A activity include increased availability of financing, market cycle timing, an increase in private equity buyers, an increase in deal assistance and greater knowledge by sellers, Seivert says.

ECHELON Partners counted 423 additional breakaway deals, down slightly from 430 in 2016.

Unlike DeVoe, ECHELON didn't see a downturn in activity in the second half of the year, and pointed to an uptick of breakaway deals in the fourth quarter driven by advisor anticipation that their firms might exit the protocol for broker recruiting.

RIA consolidators, also known as aggregators, remained the largest category of buyer, some of the activity came from sub-acquisitions by aggregator affiliates, which numbered 17 in 2017, down slightly from 19 the previous year.

While firms like Focus Financial and HighTower have long played in this space, more aspiring aggregators are obtaining private equity backing and aiming to join their ranks.

For example, Lightyear Capital recently bought a majority interest in HPM Partners, a \$9 billion growth-oriented wealth management firm, from Emigrant Bank. Silver Lane advised Emigrant Bank on that deal.