

## ECHELON PARTNERS RELEASES Q3 2017 RIA M&A DEAL REPORT SHOWING CONTINUED RECORD TRANSACTIONS

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**ECHELON Partners**, a leading investment bank focused exclusively on wealth and investment management industries, announced today the release of the 3rd Quarter **ECHELON RIA M&A Deal Report** designed to capture the key transactions, trends and M&A activity in the RIA and Wealth Management industries.

The Deal Report was recently recognized last week in a gala reception as the winning initiative in the 2017 [wealthmanagement.com](http://wealthmanagement.com)'s Industry Awards in the Investment Banking & Succession Planning category for its innovative, high-quality research that is proving to be the go-to industry resource to help wealth management decision makers with their strategic options.

Merger and acquisition activity in the RIA industry is on pace for a 5th consecutive record year, with a 23% increase in deal volume relative to 2016's record year, projected. Additionally, RIA breakaways continue to sustain their momentum in the face of decreasing wirehouse recruiting bonuses in a post-DOL rule environment. Through Q3 2017, 302 breakaways had taken place with an additional 88 expected in Q4, according to ECHELON forecasts. Furthermore, the average size of breakaways continues to surge and is up 7.1% over 2016 levels to \$300 million, with 15 \$1 BN+ breakaways through Q3 2017.

The acquisition of Focus Financial's \$100 BN AUM by KKR and Stonepoint Capital is one of the industry's largest "mega-deals" made by private equity investors, an accelerating trend. As the pipelines of many consolidators and private equity buyers become full, these firms increasingly are seeking and finding established businesses that fit an attractive profile for their investment criteria of large deals.

"The aging advisor population combined with consolidation at the top end of the industry is leading to increasing volumes of deals, both in total numbers as well as in assets," said **Dan Seivert**, CEO of ECHELON Partners. "Our research in the Deal Report is projecting a continued increase in M&A activity across the board and our total platform approach is resonating in the industry as ECHELON has recently completed our 70th \$1 BN+ transaction."

Additional and expanded findings from the Deal Report include:

- **RIA Breakaways Sustain in the Face of Decreased Wirehouse Recruiting Bonuses:** Recruiting bonuses of 200 to 400% of gross revenue with a duration of 7 to 10 years had become the standard tool for wirehouses recruiters. Viewed as not viable post DOL, this activity has come under fire and usage is decreasing and as a result breakaway volume remains high.
- **Consolidators Take Control of RIA Deal Activity:** In search of growth platforms and scale, well-capitalized, strategic buyers and consolidators have accounted for 53% of RIA purchases thus far in 2017, 33% greater than in 2016.
- **Average Deal Size Exceeds \$1 BN for the Second Straight year:** The first three quarters of 2017 achieved an average transaction size of \$1.1 BN, the highest of the past seven years.
- **\$1 BN+ AUM Deal Making Surges:** \$1 BN+ AUM wealth manager deal activity is on trend to surpass strong 2016 numbers as buyers seek out these ideal platforms because they are lower risk and more enduring.

- **Record Setting 2017E Deal Volume:** Despite slightly lower volume in 3Q 2017, expected deal volume for the full year is on trend to reach 169 transactions, a 23% increase over 2016's record year.

“We are extremely pleased and honored to have one of our premier research assets recognized by the wealthmanagement.com Industry Awards as the winner among elite competition,” Seivert noted. “We will continue to invest in the Deal Report platform as the industry's go-to source for key information and data on strategic trends and developments in wealth and investment management.”

To gain access to the ECHELON RIA M&A Deal Report, visit: <http://www.RIADealReport.com>

#### About ECHELON Partners

Founded over 15 years ago, ECHELON Partners <http://www.echelon-partners.com> combines the high quality expected of a large investment bank with the high-touch expected of a personal boutique. Compared to traditional investment bankers, ECHELON Partners offers a total platform approach of investment banking, valuation and management consulting services - bringing together financial advisory, strategic consulting, and senior-level operational experience to each engagement. ECHELON's keys to successfully serving clients are a deep understanding of the wealth and investment management industry, an extensive network of contacts and strategic partners, a powerful set of processes and databases, integrity, and trust. ECHELON Partners is committed to bringing all of these qualities to every client assignment. With a track record spanning hundreds of engagements, ECHELON's team understands the unique needs of owners and executives in the financial services industry.

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