CHOPPY MARKETS ARE FUELING RIA M&A ACTIVITY

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Recent volatility in financial markets is helping fuel another record year of mergers and acquisitions in the RIA space, industry insiders say.

That's because RIA valuations are tightly connected to the performance of the markets, particularly in light of recent reports that a third of their asset growth has been due to positive market performance, InvestmentNews writes.

Interest is also particularly high since the RIA space has many owners who are getting older and close to exiting the business, Rush Benton, senior director of strategic wealth at Captrust, tells the publication.

"If I owned a business and was thinking of retiring and the value of that business was very closely related to the level of the markets, I'd be thinking about selling," he tells InvestmentNews.

Benton says many owners have been preparing for a sale in anticipation of the current volatility, since most deals take months to complete, according to the publication. But the volatility amidst flat markets is making more RIA owners go from merely considering a deal to wanting to do one as soon as possible, **Daniel Seivert**, chief executive officer at the investment bank **ECHELON Partners**, tells InvestmentNews.

That's particularly true in light of what many owners who wanted to sell experienced during the financial crisis a decade ago, according to the publication. Following the collapse, firms which were about to close a deal in 2008 or 2009 needed another five years to return to the same valuation levels, Benton tells InvestmentNews.

At the same time, buyers are stepping up their game and offering better deals and terms, he tells the publication. Mercer recently announced its fourth acquisition this month, for example, and is apparently announcing a fifth next week.

"We're in a very frothy M&A market with lots of buyers snapping up firms and driving up valuations," Mercer president and chief executive David Barton, tells the publication.