



Press Release
May 7, 2015

DeVoe RIA Deal Book™
Q1 2015 is Blockbuster Quarter for RIA M&A Activity,
Building on Record Volume of Transactions in 2014

An all-time record number of RIA transactions occurred during the first quarter of 2015, according to research executed by DeVoe & Company. This spike in activity follows a record year of RIA M&A in 2014.

Over \$90 billion in AUM was acquired through 34 transactions in the first quarter of 2015. The AUM transacted during the quarter was 14 times the amount acquired during the same period in 2014 and 43% higher than the entire year of 2014. A number of very large acquisitions drove the AUM figure to an all time record quarter for the industry.

The volume of 34 transactions executed in Q1 is also an industry record and tripled the transactions during the same period in 2014 (10 transactions).

“This record quarter of RIA M&A activity builds upon the unprecedented momentum from last year”, said David DeVoe, a managing director at DeVoe & Company. “2014 was a record year of M&A activity for the industry, with 90 deals being executed. This high level of activity is generally positive for the industry, as advisors are using M&A to achieve important business goals, such as succession, expansion and diversification.”

Consolidators, companies whose business model is focused on growth through the acquisition of RIAs, and RIAs maintained their dominant positions as the most active buyer categories. In Q1 2015, these two buyer groups each executed 41% of the transactions. Both buyer categories experienced a decrease in proportional transaction volume from the previous year, as Banks acquired more aggressively and Private Equity re-entered the market. Banks acquired 6% of the sellers, increasing from 2% in 2014 and 0% in 2013. Private equity executed two major transactions.

“The continued acquisition momentum of consolidators indicates that these business models continue to resonate with advisors,” said DeVoe & Company managing director Adam Levy. “Advisors themselves demonstrated their growing sophistication of M&A, using acquisitions to achieve a variety of strategic goals beyond growth.”

A number of very large deals involving acquisitions of RIAs managing over \$5 billion in AUM drove the AUM acquired to an industry record. Upon exclusion of the sellers with more than \$5 billion in AUM, the average AUM of an established RIA still increased from \$691 million to \$872 million.



“We anticipate 2015 will likely be a record year RIA M&A activity,” said David DeVoe. “The convergence of the industry’s aging principal base, the benefits of scale, and the expiration dates of the 2009 spike of wirehouse packages will drive a high volume of transactions.”

Methodology: The DeVoe RIA Deal Book seeks to track all mergers and acquisitions of firms that are registered with the SEC as an RIA (Registered Investment Advisor). The report includes all transactions identified with over \$100 million in Assets Under Management, based on a recent data source (e.g. SEC IARD website, a press release), in an effort to maintain consistency of data over time. The report includes advisors who leave other financial service institutions to join RIAs and are expected to bring over \$100 million in AUM to the new company, as this transition would likely include consideration or payment for said asset.

About DeVoe & Company

DeVoe & Company provides valuation, business consulting and investment banking services to the wealth management industry. Since launching three years ago, the company has helped over 130 clients accelerate the achievement of their growth, profitability and transition goals.

For more information, visit www.devoeandcompany.com, contact us at info@devoe-co.com and follow us on Twitter at @DeVoeCo.



DeVoe RIA Deal Book

Q1 2015 is New High-Water Mark for RIA M&A, Building on 2014 Record Year

**DeVoe & Company Tracking of RIA Mergers and Acquisitions
First Quarter 2015**

DeVoe & Company Overview

DeVoe & Company provides valuation, business consulting and investment banking services to the wealth management and investment management industry.

We have executed over 130 engagements since launching three years ago, supporting firms managing \$40MM to over \$8B in AUM.

Valuation

- Three levels of valuation
- Custom valuations for complex businesses

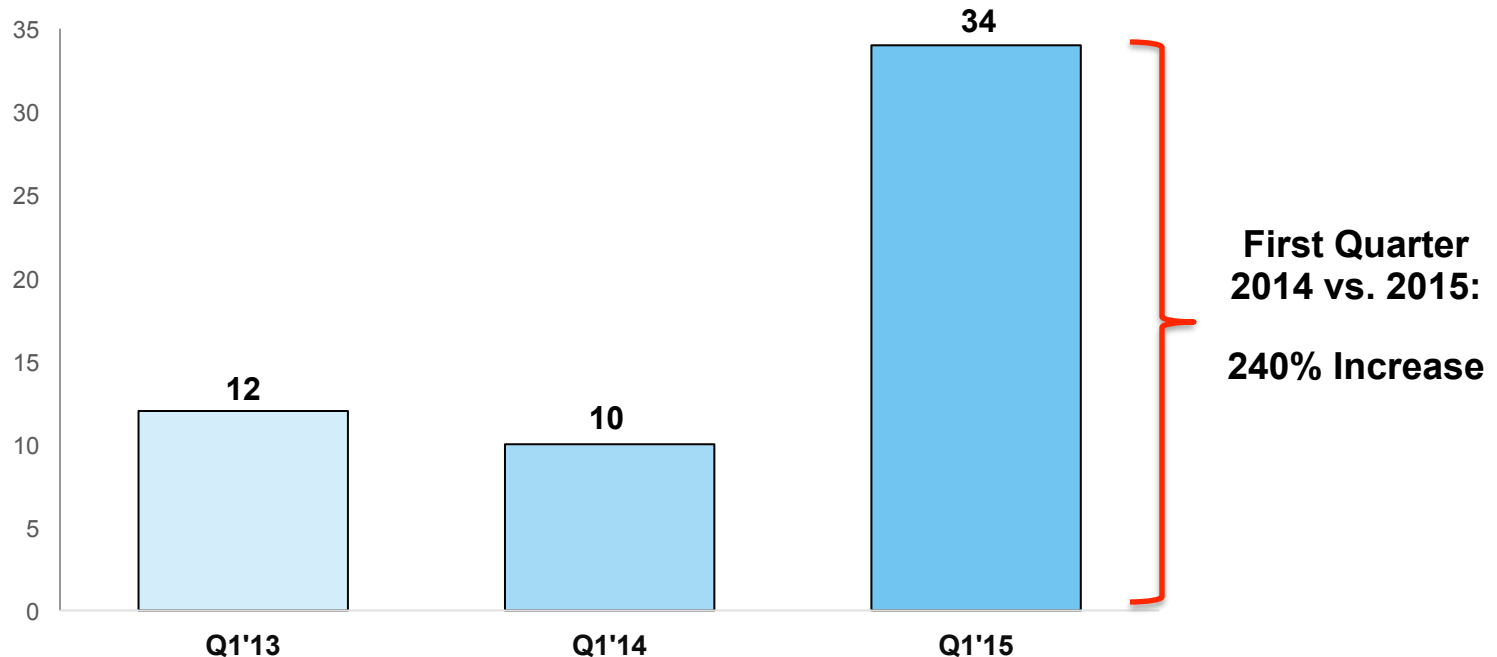
Consulting

- Business Strategy
- Succession Planning
- Equity Migration
- Human Capital
- Compensation
- Growth Strategies
- Pricing Strategies

Investment Banking

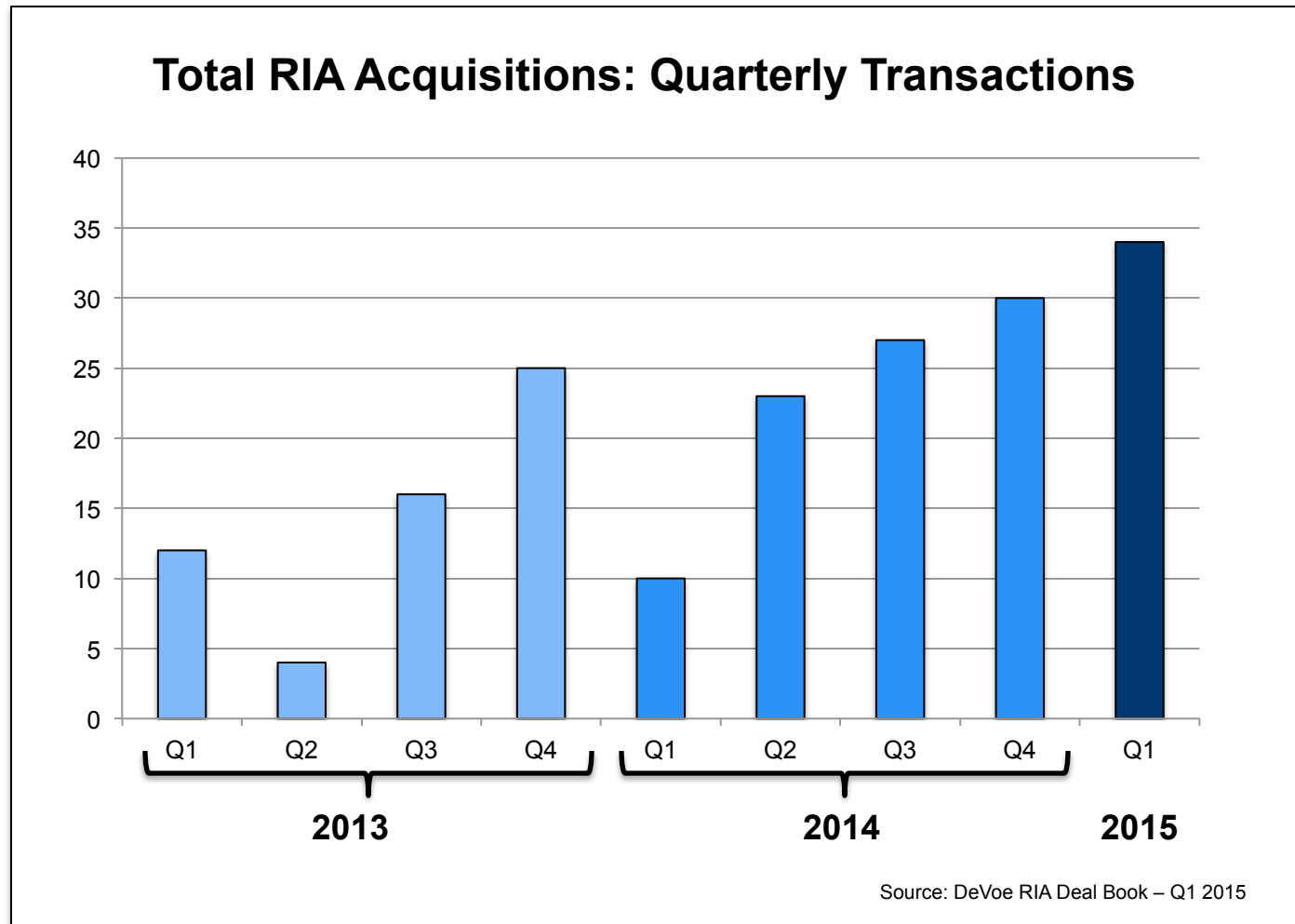
- Buy-Side Engagements
- Sell-Side Engagements
- Merger Engagements

Total RIA Acquisitions: First Quarter Comparison

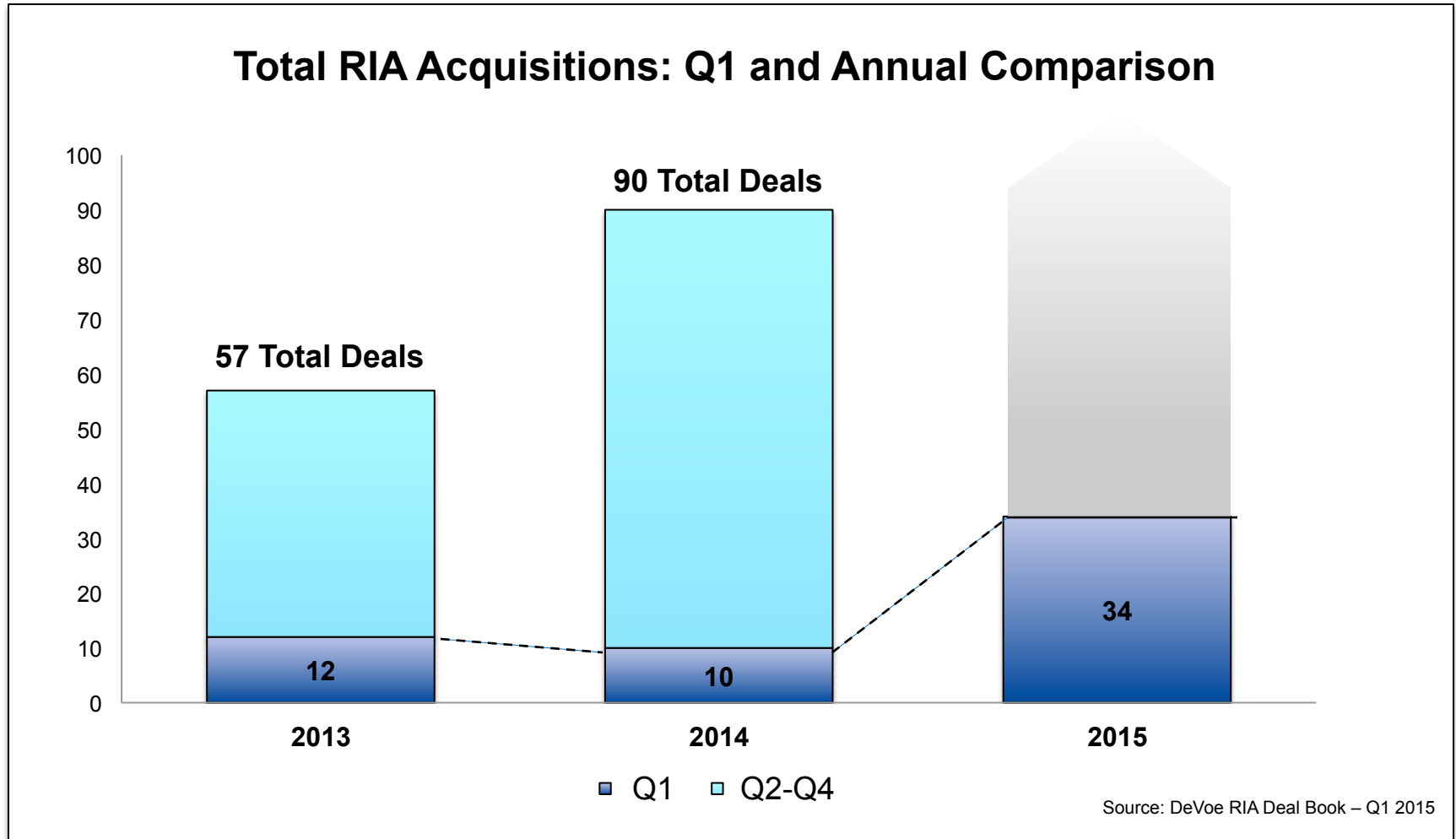


Source: DeVoe RIA Deal Book – Q1 2015

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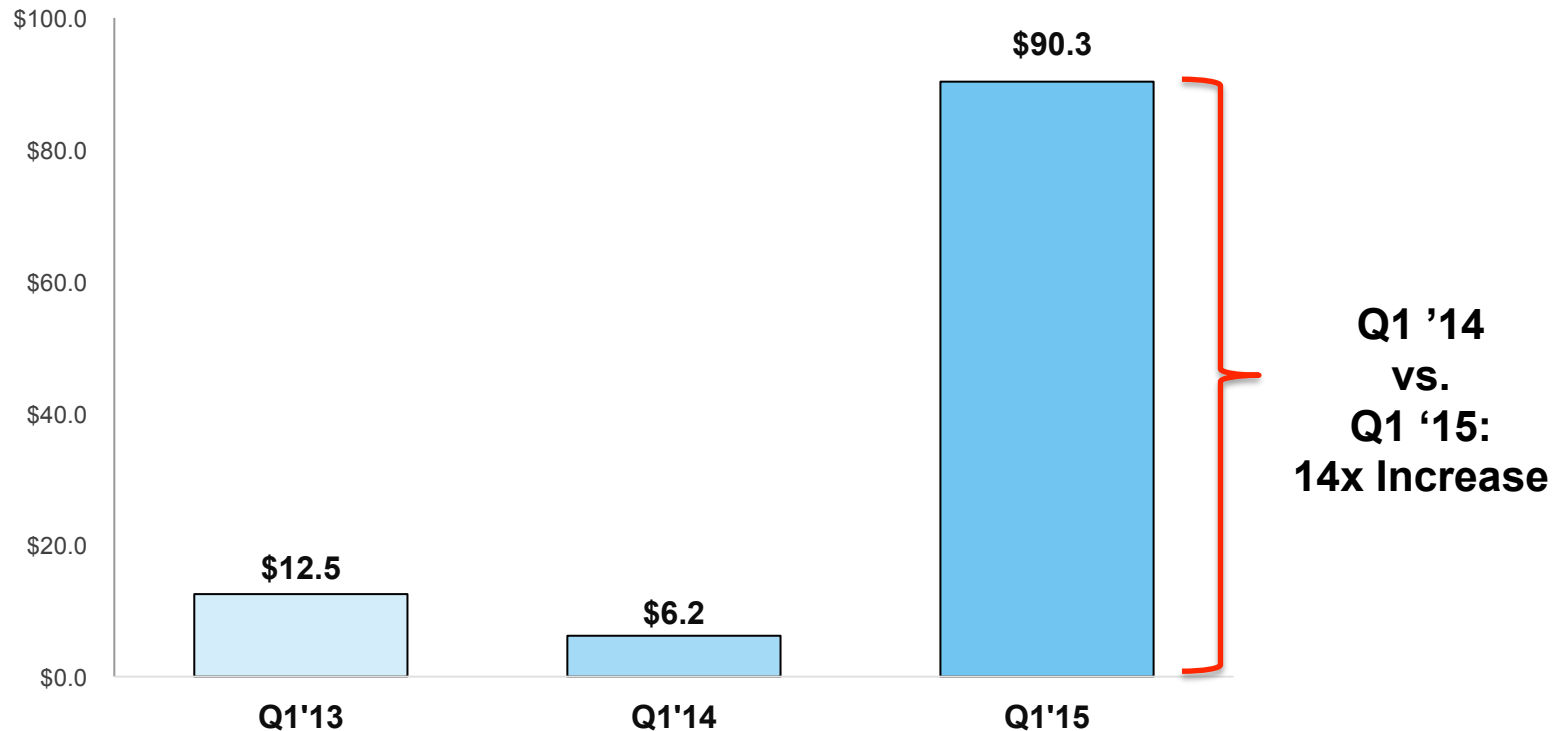


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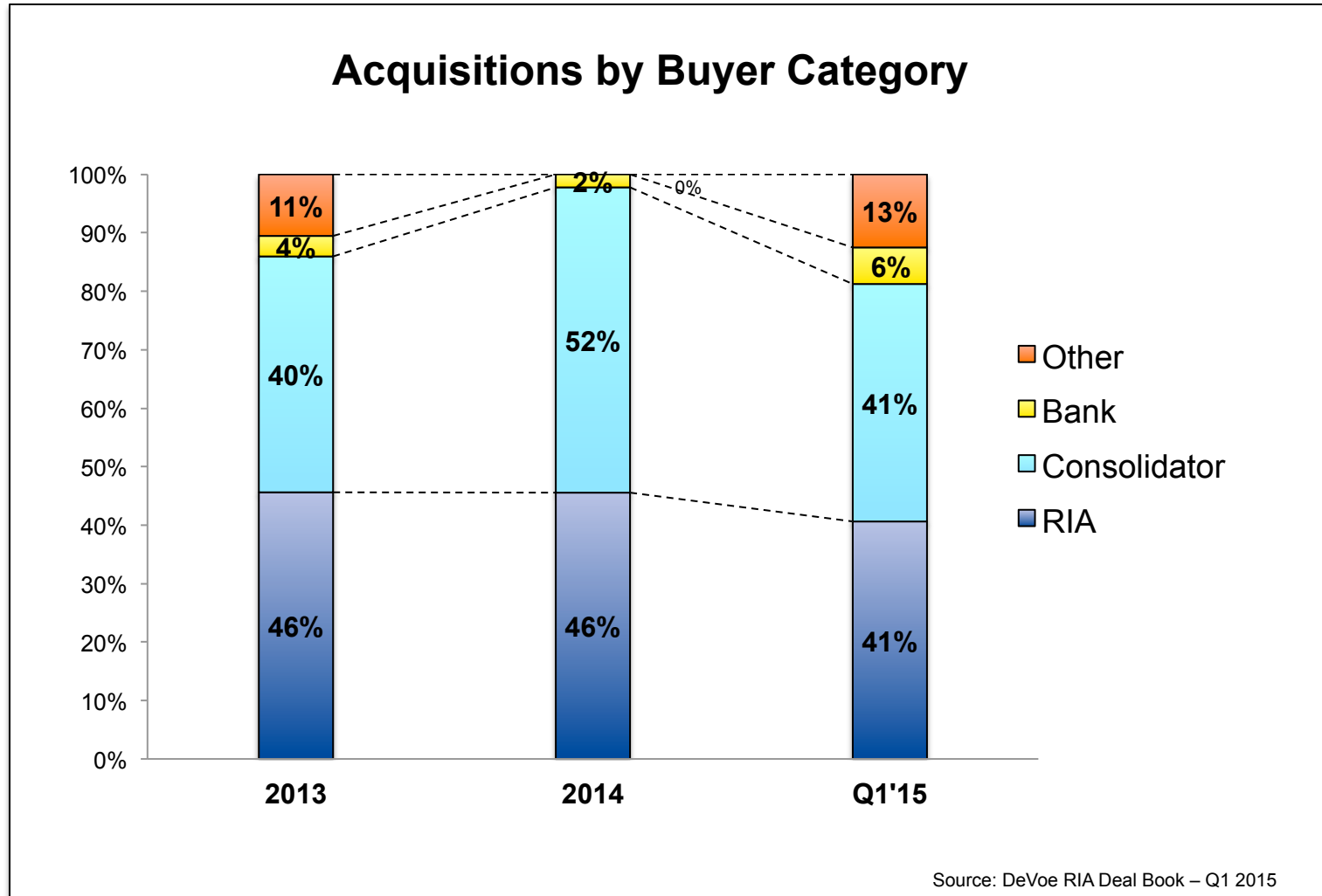
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Total AUM Acquired: First Quarter Comparison *(billions of Assets Under Management)*

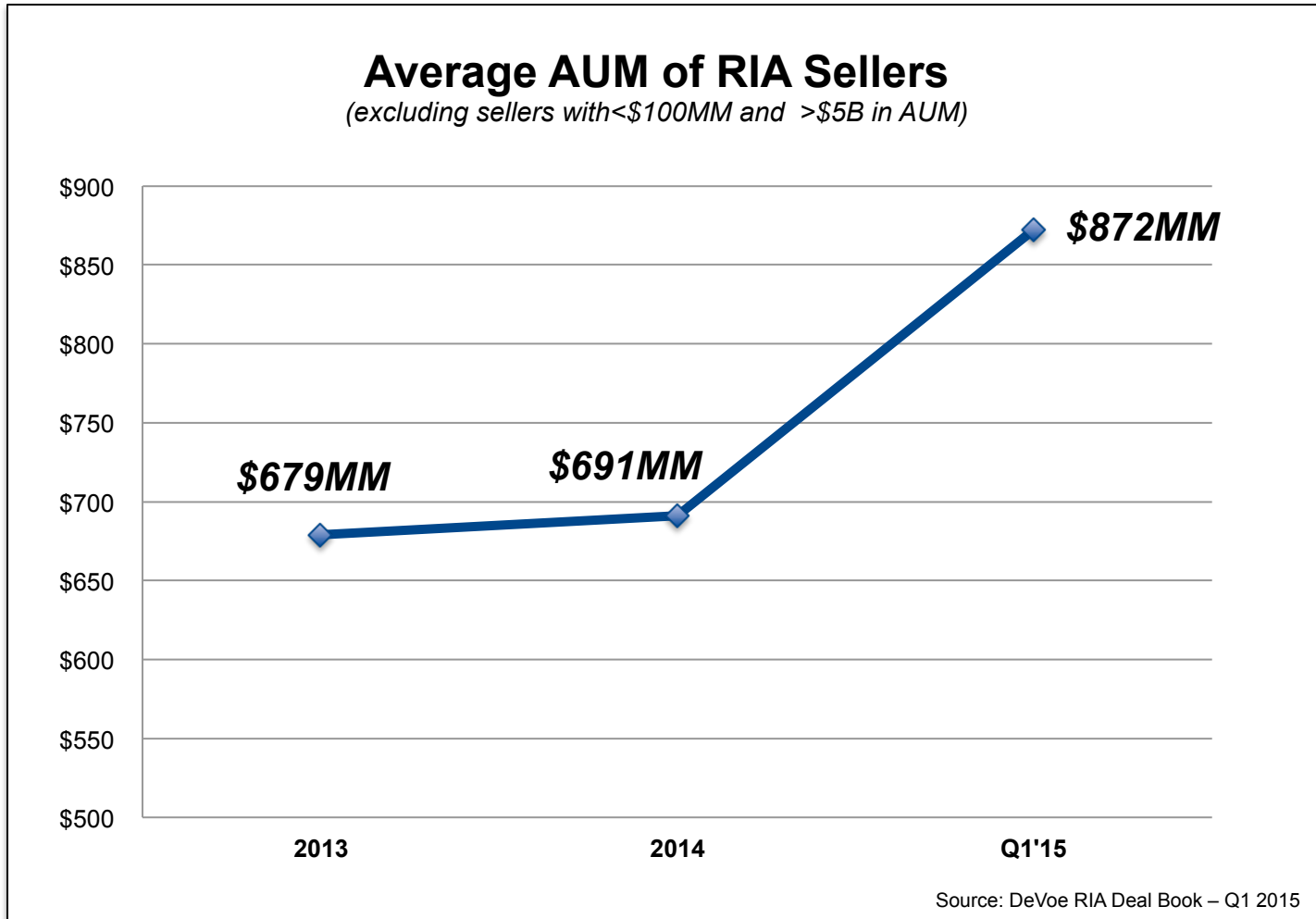


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