

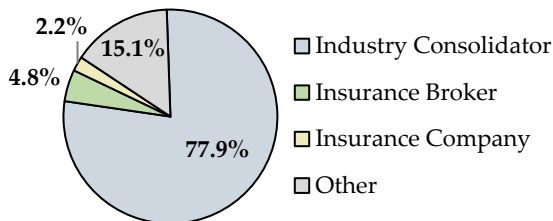
Q2 2021 RIA Market Update

Market Overview

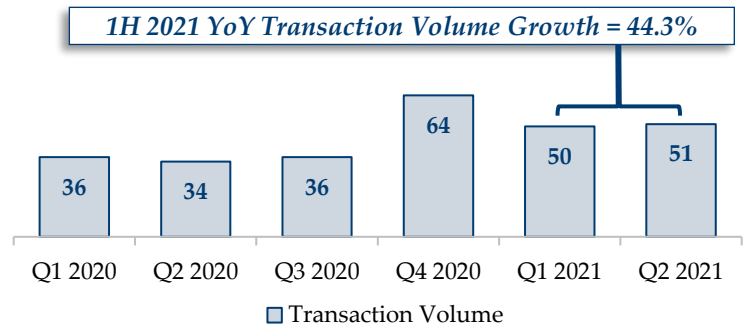
In Q2 2020, while the world economy was being run over by COVID, RIA transaction volume barely budged and has strengthened significantly into the new year. In the last 12 months, more than \$2.3 trillion in aggregate reported AUM has been transacted upon.

In 2021, both retail and institutional asset managers have seen significant M&A activity, with retail RIAs making up approximately 75 percent of the combined target total.

Acquirer Demographics⁽²⁾



Quarterly Transaction Volume⁽¹⁾



We observe three types of acquirers driving acquisition activity in the space; already active industry consolidators and insurance brokers are being joined by life insurers seeking fee income.

Valuation multiples are at highs as buyers of all sizes compete for scale. Sellers can expect to select the best combination of price and fit from multiple offers. To schedule a consultation, please reach out to any of the Sherman & Company contacts listed below.

Recent Transactions by Acquirer Type

Industry Consolidators

Announce Date	Acquirer	Target	Target AUM (\$MM)	LTM RIA Acquisitions ¹
06/28/21	CI Financial Corp.	Radnor Financial Advisors, LLC	\$2,315.7	12
06/23/21	Mercer Global Advisors Inc.	A. Farah Investments, LLC	240.0	13
06/01/21	Focus Financial Partners Inc.	ARS Wealth Advisors, LLC	696.1	17

- Consolidators are both well-funded and active.
- Typical succession models can no longer compete with consolidators' pricing, as more money is attracted in rising markets.

Insurance Brokers

Announce Date	Acquirer	Target	Target AUM (\$MM)
06/07/21	Hub International Ltd.	Beacon Hill Wealth Services	undisclosed
06/03/21	OneDigital Health and Benefits, Inc.	Fiduciary Plan Advisors	undisclosed
01/22/20	NFP Corp.	Fiduciary Investment Advisors, LLC	\$2,223.4

- RIAs are complementary to P&C brokers, and employee benefit brokers have many cross-selling opportunities with private business owners.

Insurance Companies

Announce Date	Acquirer	Target	Target AUM (\$MM)
01/25/21	Sammons Enterprises, Inc.	Beacon Capital Management, Inc.	\$3,338.3
10/21/20	Sun Life Financial Inc.	Crescent Capital Group LP	27,724.3
06/29/20	Great-West Lifeco Inc. (Empower Retirement, LLC)	Personal Capital Corp.	12,240.7

- Many life insurers seek capital light, fee-based businesses to counterbalance their long duration spread business.
- Both institutional and HNW shops are attractive.

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Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset management industries.



Sources: Sherman & Company, S&P Market Intelligence, S&P Capital IQ. (1) Transaction universe is comprised of mergers and acquisitions in S&P Market Intelligence wherein the target was tagged as "Asset Manager" or "Broker-Dealer." (2) Includes transactions, per footnote 1, from 01/01/2020 to 06/30/2021.

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