



**For Immediate Release**

## **DeVoe RIA Deal Book - Mid-Quarter Update**

San Francisco, August 18, 2020 – DeVoe & Company, a leading consulting firm and investment bank serving the RIA industry, is pleased to share a rare mid-quarter update to the DeVoe RIA Deal Book™. RIA M&A activity during the last 10 weeks has skyrocketed from the post-COVID lull. The activity is in stark contrast to the compression expectations many had held.

### **RIA M&A Comes Back Strong in Q3**

- 20 RIA transactions at the mid-point of Q3, versus 14 during the same period in 2019 (see Monthly Transactions YTD chart below).
- June - Mid August volume has been 59% higher in 2020 than the same period in 2019.
- Forty percent of sellers were over a \$1B, pushing the average AUM per transaction to \$1.6B – more than double the 2019 average AUM of \$743MM.
- Seasoned acquirers Mercer Advisors and Hightower Advisors, each made three transactions already in the quarter. They are followed closely by Creative Planning, with two transactions during the period.
- 2020 is now on track for a seventh successive record year for RIA M&A. DeVoe & Company forecasts that the industry will see 140 transactions in the year.

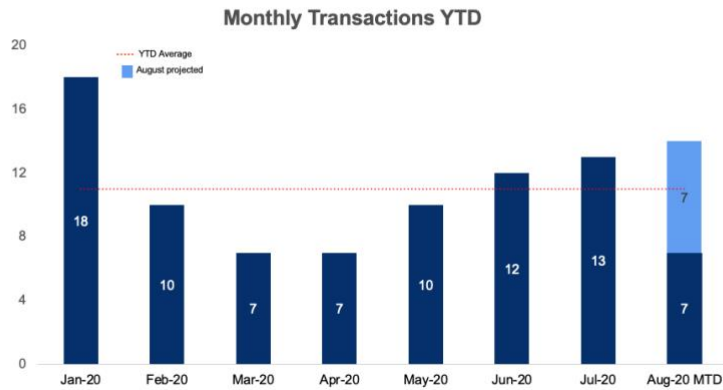
### **Quotes from David DeVoe, Founder and CEO, DeVoe & Company**

- The 'Surge' in transactions came faster than expected. Many believed that the 'Lull' in post-COVID activity would last several quarters or longer, yet it only lasted three months. Since June, RIA M&A activity has been 59% higher than in 2019. The volume of July and August is tracking at nearly two times the volume of March and April. (See Four Phases diagram below.)
- Professionally managed firms with over \$1B in AUM had strong activity as sellers. Unlike typical RIAs, where the owners split their time between overseeing clients and running the business, these larger firms have management dedicated exclusively to running the company. Consequently, large RIAs didn't miss a beat with COVID – the distraction was short-lived, and the management teams continued with their M&A plans.
- While COVID-19 caused many RIAs to delay their M&A plans, most did not delay long.
- The pandemic is a shot across the bow highlighting the importance of succession planning – and how fragile our accustomed reality can be. Many advisors are now making aggressive moves.
- This level of M&A activity is healthy for the industry – the buyers are able to deftly absorb the increased volume.

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## RIA M&A Comeback

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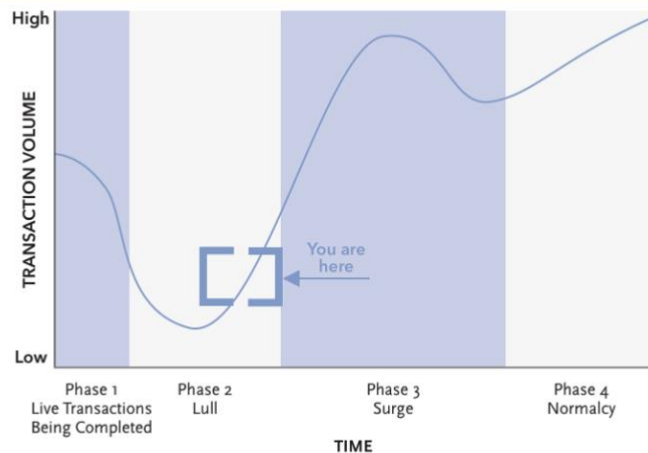


Source: DeVoe RIA Deal Book™. Data through August 15, 2020

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## Four Phases of RIA M&A Post COVID

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*Time periods and activity volumes are illustrative only.*

Source: Q2 2020 Capital Group / DeVoe RIA Deal Book™

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### About DeVoe & Company

DeVoe & Company is a goal-based consulting firm and investment bank focused exclusively on guiding wealth management and investment management companies to a higher level of success. The firm provides consulting, M&A and valuation services to help RIAs accelerate the achievement of their business goals. For more information, visit [www.devoeandcompany.com](http://www.devoeandcompany.com).

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