A decade in review: Examining M&A transaction trends and activity in the wealth management industry

A look inside

Since Fidelity Investments began tracking transactions in 2015, we have witnessed profound change in the M&A space, including the acceleration of transactions, the size of deals, and the players involved. In 2024 alone, purchased assets for RIA and broker-dealer M&A transactions totaled nearly $1T ($909.7B). In this report, we will explore five key themes that have emerged in wealth management M&A since 2015, where M&A activity stands today, and some trends we'll be watching in the next decade.

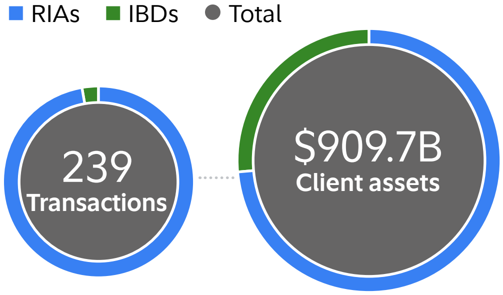
M&A activity in 2024

In yet another record-breaking year for RIA M&A, 2024 unveiled 233 RIA M&A transactions totaling $670B in purchased assets, with 26 transactions in December totaling $25.6B in purchased assets. The broker-dealer channel yielded 6 M&A transactions totaling $240B in assets.

Transaction overview

Full year 2024

■ RIAs ■ IBDs ● Total



	RIAs	IBDs
Number of deals	233	6
Client assets (billions)	$669.9	$239.8
Transactions*	**▲3%**	**▲50%**
Client assets*	**▲161%**	**▲170%**

* Compared to full year 2023.

Largest deals in 2024

NEW FIRM	SELLING FIRM	~AUM ($M)	ANNOUNCE DATE
GTCR	AssetMark	117,000	04/25/2024
KKR	Janney Montgomery Scott	85,895	07/23/2024
Guardian Capital	Sterling Capital Management	76,000	02/02/2024
Pathstone	Hall Capital Partners	45,000	10/16/2024
Focus Financial Partners	Focus Financial Partners/SCS Capital Management	30,000	03/13/2024
Focus Financial Partners/ Buckingham Strategic Wealth	Focus Financial Partners/ The Colony Group	21,472	05/06/2024
AssetMark	Morningstar Wealth	12,000	06/20/2024
Focus Financial Partners/The Colony Group	Focus Financial Partners/GW & Wade	10,400	03/01/2024
Arax Investment Partners	U.S. Capital Wealth	9,000	04/23/2024
Estancia Capital Partners/LLR Partners	Soltis Advisors	9,000	06/06/2024

A look back at 2024 shows us that M&A is here to stay.

The RIA M&A landscape remains active

2024 was a record-breaking year, closing ahead of the prior year by 6 transactions (or 3%) and 102% in purchased assets (compared to 227 transactions and $331.4B in purchased assets in 2023). $1B+ transactions comprised 35% of deals in 2024, outpacing last year's rate of 29%. This six-percentage increase YOY highlights that $1B+ deals are back on the rise. The median transaction for 2024 of $536M is a 28% increase over 2023.

It's also worth highlighting that October 2024 was the strongest month on record in Fidelity's 10-year tracking history. We believe two factors are driving this:

1. **Private equity (PE) is working with strategic acquirers to set growth goals at the beginning of the year.** On average, deals are taking 7–9 months to finalize. As such, firms may be targeting deals in Q1 as part of their growth agenda, and finalizing them towards the end of the year.
2. **Speculation of changes to tax treatment for unrealized capital gains arose during November's election.** The uncertainty may have driven some firm sellers to finalize deals in 2024.

PE remains an industry power player

According to our tracking, April 2024 was the first month where 100% of RIA M&A transactions had private equity backing. This pattern repeated in November and December. There were 41 minority-staked transactions in 2024, up 58% from the 26 minority transactions in 2023.

Strategic acquirers continue to lead the M&A marketplace

Focus Financial and its consolidating affiliates (21), Wealth Enhancement Group (12), Waverly Advisors (10), MAI Capital Management (10), Mercer (9), and Allworth Financial (9) were all top dealmakers in 2024. Serial acquirers such as Hightower and its affiliates (3), Dakota Wealth, Mariner (3), Creative Planning (2), CAPTRUST (4), and Savant Wealth (3) reported fewer M&A deals in 2024 compared with 2023. While our reporting is a view into the M&A landscape, it stops short of capturing recruiting events where advisor teams may be acquired with remuneration pay. Our reporting also does not capture M&A events absent of a press release. As such, there may be activity taking place with strategic acquirers that is not captured in our reporting.

A decade in review: Examining the evolution of wealth management M&A

A lot has changed since we started tracking M&A transactions in 2015.

Here are five key themes that have emerged in wealth management M&A over the last ten years.

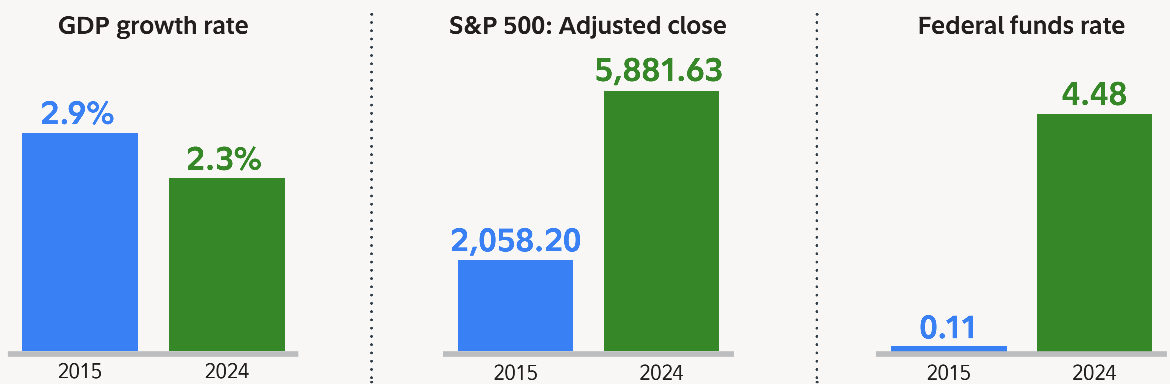
1. The growth of M&A activity

When we examine the scope of change within the M&A space, the evolution is quite evident.

- The number of RIA M&A deals grew from 89 in 2015, to 233 in 2024; 10-year compound-annualized-growth-rate (CAGR) of 10.1%.
- Purchased assets increased from $130B to $669.8B.[1]
- The median deal size increased from $500M to $536M, with just under 1% 10-year CAGR.
- Forty-six acquirers completed deals in 2015 compared with 78 acquirers in 2024. The number of acquirers in our space has grown each year at a CAGR of 6.6%.

- Since our tracking began in 2015, a total of 105 firms have made at least two acquisitions. Forty-three of these firms have gone on to complete at least five deals.[2]
- In 2015, we recorded the first firms embarking in "strategic acquirer" territory before it became mainstream: Focus Financial & its affiliates (14), United Capital (11), CAPTRUST (3) Hightower & its affiliates (3), Mariner (3), Beacon Pointe (2), and Savant (2).
- While the average age of an advisor in our industry has remained at 50 years[3] during the past decade, we have tracked the average age of a firm seller of 57 years old in 2016 to 59 years old in 2024 with subtle variation in-between.

The number of M&A deals, along with total purchased assets, increased amidst an evolving economic landscape:



Source: **GDP Growth Rate:** U.S. Bureau of Economic Analysis, Real Gross Domestic Product [A191RL1Q225SBEA], retrieved from FRED, Federal Reserve Bank of St. Louis (Jan 1, 2015–Dec 31, 2025); https://fred.stlouisfed.org/series/A191RL1Q225SBEA **S&P 500: Adj Close**: Yahoo Finance (Jan 1, 2015–Dec 31, 2024). S&P 500 https://finance.yahoo.com/quote/%5EGSPC/ **Federal Funds Rate:** Board of Governors of the Federal Reserve System (U.S.), Federal Funds Effective Rate [FEDFUNDS], retrieved from FRED, Federal Reserve Bank of St. Louis (Jan 1, 2015–Dec 31, 2024); https://fred.stlouisfed.org/series/FEDFUNDS

Specific to the wealth management industry, firms were impacted by several changes over the past decade, including:

An evolving regulatory environment: Since 2015, our industry experienced the introduction of new regulations including the DOL Conflict of Interest Rule (vacated in 2018), the SEC Regulation Best Interest Rule, the SEC Marketing rule, and heightened oversight relative to cryptocurrency, privacy regulations, and ESG.

Digital transformation: Over the past decade, the rise of the robo advisor, artificial intelligence (AI) and machine learning, the shift to cloud-based solutions, the increased use of mobile apps, and the shift to virtual engagements via video calls changed the landscape of our industry.

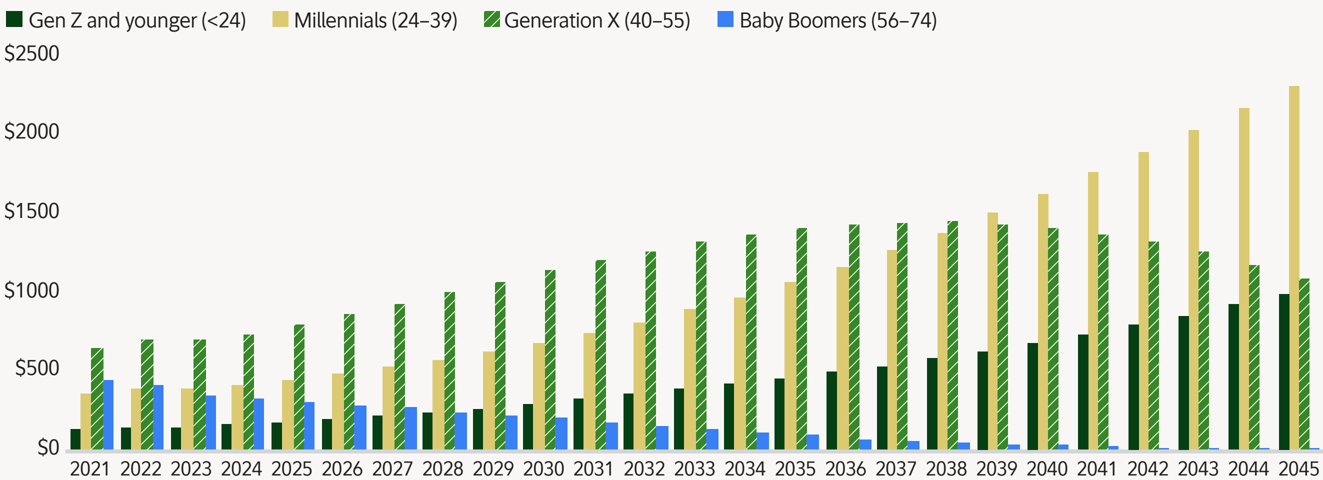
A shifting talent landscape: A topic that is not solely with our industry, we have experienced the rise of hybrid and remote work arrangements, the Great Resignation, the war for talent, and retention challenges. As a result, our industry specifically saw an increased focus on career pathways to attract and retain younger talent.

The evolution of the investor: With information at their fingertips, investors are more educated than ever on their investment options. They have evolved to proactively approach their advisor on a topic such as digital assets and alternative investments and bring a strong point of view to the conversation.

The wealth transfer already underway: Generational wealth is on the move, with Cerulli projecting that $105 trillion of wealth will be transferred through 2048. They also predict nearly $100 trillion will transition from baby boomers and older generations.[4] Firm leaders have an opportunity to engage an historically-underserved client demographic, Gen X, (only 44% currently have a financial advisor) and help guide them through generational wealth transfers.

Firms are under-indexed on Gen X

Annual estimated wealth inherited by generation, 2021–2045 ($ billions)



Source: Cerulli. U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021. Ages as of 2020: Gen Z and younger: <24, Millennials (24–39), Gen X (40–55), Baby Boomers (56–74). For illustrative use only.

M&A has remained strong throughout these landscape shifts, and its strength speaks to a young but maturing industry as firms become more scaled amidst a more competitive landscape. There's also a perceived shift in terms of sell-side motivation for M&A from a decade ago, moving from "I feel stuck and don't have an employable succession plan" to a more current "I have opportunities to partner with strategic acquirers and PE capital backers to continue our growth journey."

Within the next 10 years, 37% of financial advisors, collectively controlling $10.4 trillion, or 40% of total industry assets, are expected to retire.[5] As advisors age, they are seeking partners to help them gracefully exit the industry and ensure that their clients remain well cared for. Succession planning continues to be a key driver for M&A. The average age of advisors selling off their firms has hovered around 57–59 years. As firm owners contemplate the next step for their business, they often find themselves at a crossroads: Do they continue to hire and build their infrastructure internally or partner with an external firm to help institutionalize their practice? It can be expensive for firm owners to buy everything themselves (talent, technology, loss of growth opportunity due to inward focus on training, development, etc.).

The buy-side of the equation has been competitive since our tracking began in 2015. To re-state the above data points here, 46 acquirers completed deals in 2015 compared with 78 acquirers in 2024. Many of the same firms appear in both numbers. Since our tracking began, a total of 105 unique firms have made at least two acquisitions in the decade span.[2] Forty-three of these firms have gone on to complete at least five deals. These data points signal that there is a concentrated cohort of buyers relative to the roughly 15,000 SEC RIAs in our industry, and of course not all firms are up for sale. The sell-side demand remains high, and the marketplace has consistently yielded multiple offers for every firm seeking a sale.

In terms of buy-side motivation, strategic acquirers have shifted their outlook of M&A over the past decade. In 2015, we would hear about the strategic acquirer aiming to grow their assets (commonly known in the industry as the "asset grab") and scale their businesses. Fast forward a few years, and the conversation is more about becoming the dominant geographic or national presence, with some employing a hub-and-spoke model strategy by planting a flag in a strategic location with the intent to build out offices and advisor communities.

Strategic acquirers of late have also leaned into the notion of becoming the one-stop fiduciary for all aspects of a client's financial life. Translating this into M&A means the acquisition of an adjacent practice such as a tax practice, CPA firm, OCIO practice, life planning practice, business consulting practice, etc. Some firms are also considering building out trust services and legal practices within their firms. While not captured in our main reporting, we counted 21 adjacent practice acquisitions by wealth management firms in 2024, and 22 of these adjacent acquisition transactions in 2023. This represents a significant trend in wealth management firms scaling up their set of services to meet the evolving needs of their client base. We expect this trend to continue.

Top three reasons for buyers to consider M&A:

1. Acquire top advisor talent
2. Enter new geographic markets
3. Grow share of assets

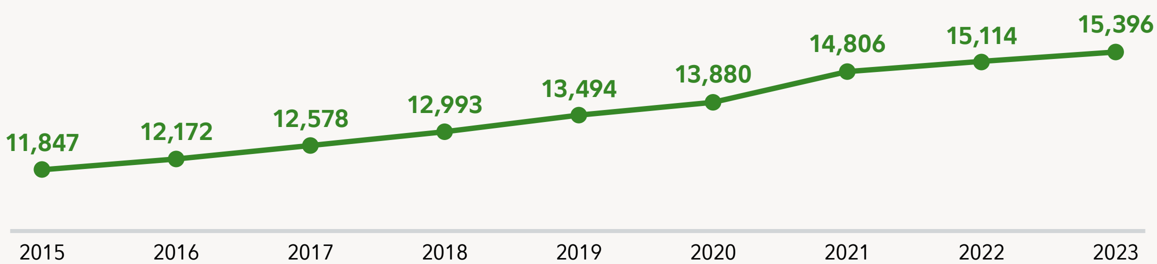
Top three reasons for sellers to consider M&A:

1. Reduce operating duties
2. Full or partial liquidity
3. Lack of a viable succession plan

Source: The M&A Valuation and Deal Structure Study, Fidelity Investments, 2023.

2. The changing tides of advisor movement and why it matters for M&A

Number of RIA firms in wealth management



Source: Investment Advisor Industry Snapshot, Investment Advisor Association, 2024.

Over the last few years, we've seen an evolution in the way advisors have moved across channels:

- **Wave 1:** Advisors leaving wirehouses
- **Wave 2:** Advisors moving between RIAs
- **Wave 3:** The story hasn't been written yet. Attracting and retaining talent continues to be a challenge in the industry, and it remains to be seen how advisor movement may be affected.

According to the latest Fidelity advisor movement study, 47% of advisors either intend to switch firms or are considering a move within the next five years.[6] As advisors move, they have plenty of optionality to explore, even within each channel. Take the RIA channel, for example. Some RIAs have formed true ensembles where everyone is a W-2 employee, shares in the combined mission and vision of the firm, and may perhaps have a road to ownership/partnership. This model is completely shared, including clients, revenue, and the firm's success. It also has strong retention of advisors. Employees will leave a firm, but partners will typically stay.

Other RIAs have formed more of a platform-provider model. Advisors in this model affiliate with the firm and are 1099 independent contractors. Typically, they are responsible for producing their own revenue and are paid their share of revenue on a grid. This model appeals to advisors who are typically more entrepreneurial-spirited and inherently appreciate having ownership and portability of their client base. Advisors may leave if they feel they have outgrown the firm's services and offerings or if they are offered an attractive recruitment contract from another firm.

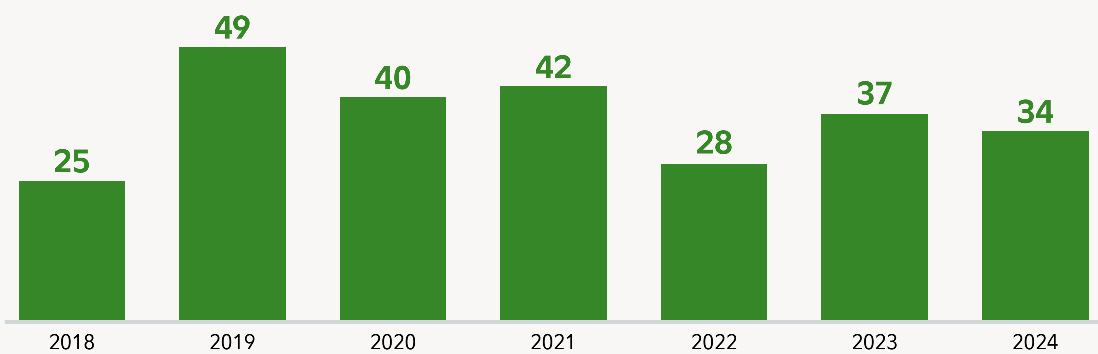
Why does advisor movement matter for M&A?

- Firms that successfully attract talent and grow client assets may fare better in valuation versus firms that struggle in these areas. Attracting advisors can diversify the client base or bring additional services where niche clients are served, making the firm more attractive to a buyer.
- Firms that consistently attract advisors often build a scalable way to integrate and support incoming advisors, which can be a strong selling point.

3. New entrants continue to make their M&A debut

In 2024, 34 firms started their maiden M&A voyage, and these firms joined the 37 first-time acquirers we counted in 2023. While not a record-breaking number of first-timers, this activity highlights continued choice and health within the wealth management space, as these 34 firms entered the highly competitive buy-side market with a value proposition that resonated with 34 firm sellers.

Number of first-time buyers



Source: Fidelity M&A reports, consolidated from public data.

New players have been entering the market continuously since 2015. The number of new entrants hovered between 40 and 50 between 2019 and 2021, with a steady hand of roughly 35 since then.

Mercer Advisors, Wealth Enhancement Group, Creative Planning, Cerity Partners, Allworth Financial and WPCG owned firms EP Wealth, Merit Financial Advisors, and MAI Capital Management became very active in the M&A space from 2020 onwards fueled by capital infusion from PE firms. CI Financial (currently Corient), which entered the market in 2019, went on to be considered a serial acquirer in 2020.

2015
Wealth Enhancement Group
Beacon Pointe
CAPTRUST

2016
Exencial

2017
Mercer

2018
Dakota

2019
Creative Planning

2020
Apella Capital

2021
CW Advisors (Formerly Congress Wealth Management)

2022
Bluespring Wealth Partners

2023
Modern Wealth Management

2024
Diversify Wealth Management

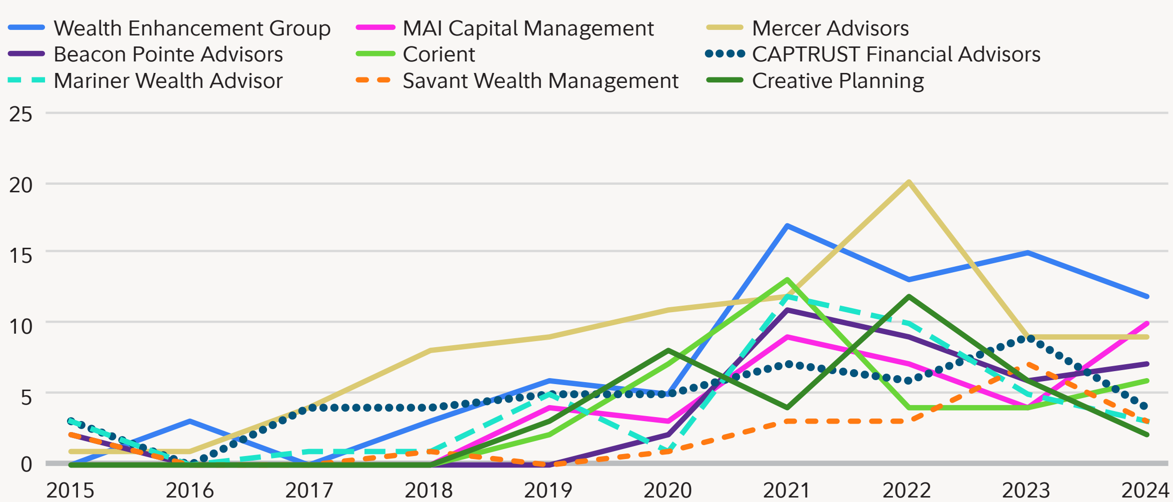
This list includes notable first-time acquirers and the year of their first acquisition. It is for illustrative purposes only and is not an exhaustive list.

4. The ebbs and flows of strategic acquirer activity

Over the last decade, we have observed transaction activity ebb and flow for some serial acquirers, which is perfectly normal and healthy. The upswing of this path occurs when strategic acquirers raise capital for growth initiatives, including acquisitions. Strategic acquirers may pause for a year or two for "R&R." Not rest and relaxation, but recalibration and recapitalization. The M&A pause shows respect for the work involved with getting the integration right, so it's a great experience for the talent of the joining acquired firm, as well as for all clients.

The new, prominent player in the industry is private equity.

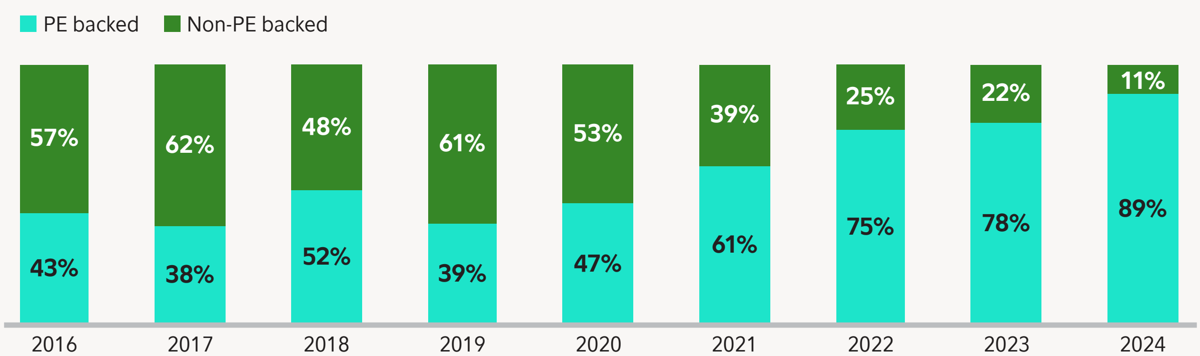
Number of deals completed by a sampling of leading acquirers (all are PE-backed)



5. The evolution of private equity in the M&A landscape

The number of publicly traded companies continues to decline, and the number of RIA firms that went public in 2024 was zero. On the other hand, private equity continues to fuel our industry with interest and enthusiasm, and we have tracked their activity in our space since 2016. Notable PE investments in RIA firms include KKR and Stone Point Capital's investment in Focus Financial. Focus Financial subsequently went public in 2018, and was taken private again by Clayton, Dubilier & Rice in 2023. Thomas H. Lee Partners's investment in Hightower in 2017, Oak Hill Capital and Genstar Capital's 2018 investment in Mercer Advisors, and CAPTRUST received an investment from GTCR in 2020 and Carlyle Group in 2023. More recently, we have seen GTCR's full purchase of Assetmark in 2024, and three PE partners (Blackrock, JP Morgan Asset Management, and Kayne Anderson Capital Partners) taking stake in GeoWealth Management.

Breakdown of private-equity-backed vs. non-private-equity-backed RIA M&A deals



Private equity continues to be attracted to the appetite for financial advice, coupled with the steady stream of fee-generated cash flow and the opportunity to capitalize on the wealth transfer. Our 2023 and 2024 RIA benchmarking studies pointed to the lack of meaningful growth for RIAs,[7] and PE firms realize that fixable self-inflicted inefficiencies can help contribute to a better outcome. The number of PE-backed RIA firms witnessed steady growth over the years and PE firms are open to both majority and minority ownership routes.

With the typical PE hold period described to be 5–7 years, we may be experiencing a third wave of PE capital entering our industry. Conversations with strategic acquirers and private equity stakeholders suggest that while PE is typically not expected to be forever capital, PE has expressed willingness to invest a bit on the longer end of the hold period. However, PE believes it may be feasible to see measured progress in their ROI strategies by year three.

Four key areas we'll be watching over the next decade

1. **The proverbial changing of the guard.** While this is not a data point we track in our reporting, we witnessed notable CEOs stepping down and passing the torch over the past two years. We will be closely observing how many additional strategic acquirer firms undergo leadership transitions and hand their reins to their G2 leaders.
2. **First-time acquirers and private capital.** We believe the marketplace will continue to make room for first-time acquirers. An interesting question remains: What percentage of these acquirers will be backed by private equity?
3. **The ongoing trend of adjacent practice acquisitions.** Which types will dominate next? Which untapped verticals could enhance client success?
4. **The continued road of recapitalization.** Will there be a tipping point in the next decade of private equity taking a larger controlling stake in wealth management firms? And if so, could this be where the mega-merger is born?

It has been our privilege to track and share insights on the dynamic M&A activity over the past decade, providing relevant data points and a thoughtful perspective on the industry. We look forward to continuing this important work and providing valuable insights for the next decade and beyond.

Endnotes

1. Fidelity removed the purchased asset cap on its M&A report in 2022.
2. For this data point, Fidelity is counting each strategic aggregator and their affiliated firms as one firm. For example, Focus Financial and their affiliated firms, Hightower and their affiliated firms, etc.
3. Fidelity began tracking age of seller in 2016.
4. U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2024—The Great Wealth Transfer: Capturing Money in Motion, Cerulli Associates, 2024.
5. Taking Control: Exploring Independence—Transitioning Your Practice the Way You Want, Cerulli Associates, 2022.
6. The 2023 Fidelity Advisor Movement Study.
7. Fidelity RIA Benchmarking Study data.

For more resources, including monthly M&A transaction reports, visit **go.fidelity.com/mergersandacquisitions**

The 2023 Fidelity Advisor Movement Study research was conducted from April 10 through April 26, 2023. It surveyed a total of 1,530 financial advisors, including 196 wirehouses, 430 Registered Investment Advisors (RIA), and 904 advisors employed by banks, insurance firms, and other broker-dealer financial institutions. The study was conducted via an online survey, with the sample provided by Cerulli, a third-party firm not affiliated with Fidelity. All respondents are screened for working with individual and/or small business investors and are licensed and credentialed according to Harris data. Reported base sizes are unweighted, unless otherwise indicated.

The M&A Valuation and Deal Structure Study is based on data from firms consisting of M&A Leaders Forum members and other clients identified as doing M&A who participated in an online survey conducted by Fidelity Investments. Twenty-six RIAs and 4 COI (Center of Influence) firms participated in the survey. The study was fielded from February 13 through March 28, 2023, and covered M&A deals between January 2020 and March 2023. The 2019 study covered M&A deals between January 2017 and July 2019. Twenty-three firms participated in the study. Throughout the report, the approximate median has been calculated using the midpoint of the range where the actual median falls.

The 2024 Fidelity RIA Benchmarking Study was conducted between February 5 and April 19, 2024; 310 firms participated. The 2023 Fidelity RIA Benchmarking Study was conducted between April 17 and July 4, 2023; 245 firms participated. The 2022 Fidelity RIA Benchmarking Study was conducted between July 19 and September 9, 2022; 219 firms participated. The 2021 Fidelity RIA Benchmarking Study was conducted between March 26 and May 26, 2021; 211 firms participated. The 2020 Fidelity RIA Benchmarking Study was conducted between March 10 and May 20, 2020; 188 firms participated. The 2018 Fidelity RIA Benchmarking Study was conducted between July 24 and September 24, 2018; 355 firms participated. The 2017 Fidelity RIA Benchmarking Study was conducted between April 19 and June 6, 2017; 408 firms participated. The 2016 Fidelity RIA Benchmarking Study was conducted between April 27 and June 16, 2016; 402 firms participated. The studies were administered by independent third-party research firms not affiliated with Fidelity. Fidelity was identified as the sponsor of all the studies. The experiences of the RIAs who responded to these studies may not be representative of the experiences of other RIAs and are not an indication of future success. Registering for, completing, and accessing these studies required access to and use of third-party websites operated by independent third-party research firms unaffiliated with Fidelity Investments.

Fidelity compiled the data for this report from public information. Data for this report covers the period January 2016 through September 2024. Unless otherwise noted, all data compiled in the report comes from Fidelity's M&A tracking research.

The acquirer models referenced herein are for illustrative purposes only and are not meant to be exhaustive of all business options or models a wealth management firm may consider for its particular situation.

The purpose of this report is to capture wealth management M&A deals involving:

- Wealth management firms registered with the SEC as registered investment advisors, including transactions identified as involving firms with over $100 million, in assets under management/advisement.
- Independent broker-dealer firms registered with FINRA, including transactions identified as involving firms with over $1 billion in assets under administration.

If you are aware of a transaction that fits the criteria and is not listed in this report, please contact your Fidelity representative.

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