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FINANCIAL PARTNERS

Inside the Deal M&A Newsletter

Q4 2023

A Brief Note from the Team

Welcome to the close out of 2023 and the twelfth edition of our quarterly newsletter, Inside the Deal!

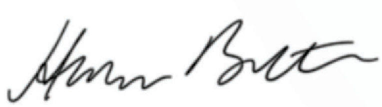
Dynasty Financial Partners aims to educate our clients and our readers on the key trends we are seeing in Wealth Management M&A. We hope to provide you with specific insights into key trends, deals and deal structures, answer important questions raised from our readers, and most importantly, empower our network to have the confidence to be successful in their chosen M&A strategy.

For our twelfth issue, we reflect on the entire year of dealmaking in 2023. While 2021 and 2022 were typified by robust M&A growth, 2023 would best be characterized by M&A resilience. Even with the short-lived regional banking crisis and rising interest rates, many market participants are taking the opportunity to recapitalize and double down on their acquisition strategy. A number more, as discussed, decided to throw their hat in the ring, either for the first time or coming back after a hiatus for more. We do not foresee the M&A market changing anytime soon, despite the fear inducing headlines seen over the past year. By all accounts, capital continues to flow into the space and deal multiples remain competitive. This has created sustained positive buyer sentiment (many of whom continue to have access to a significant amount of capital) and will continue to create attractive opportunities on both the buy-side and sell-side.

We would like to hear from you! Please email us at DIB@dynastyfp.com. Let us know what you would like us to explore in upcoming issues and how we can better serve our network so you can pursue and close more M&A deals with confidence!

As always, everything you share with us will be held in the highest degree of confidentiality and discretion.

Kind regards,



Harris Baltch
Managing Director, Head of Investment Banking

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Market Review

A consistent theme of this year, and in each edition of the newsletter in 2023, was that so much has changed in the world, while also remaining very much the same. Interest rates have leveled off after a multi-year sustained collection of incremental increases, hitting levels not seen since 2007. The wealth management sector is still feeling the aftereffects of the regional banking crisis, particularly regarding Silicon Valley Bank and First Republic, who were strong players in the wealth management M&A market. Wealth management giant Goldman Sachs has pivoted, jettisoning the mass affluent PFM business (formerly known as United Capital) to Creative Planning while continuing its push into the custody space. Major historic buyers CI Financial (now Corient Private Wealth) and Focus Financial Partners have spent most of 2023 dealing with their respective sales and the aftereffects. However, nothing has seemingly shaken RIA M&A buyer or seller sentiment from the record highs.

This section ended both 2021 and 2022 with the open question of whether the next year's M&A deal volume could surpass the all-time highs seen the prior year, much less if it could sustain the multi-year acceleration. When taking a step back to assess the 2023 M&A market, the primary takeaway is that despite all the above headwinds, the underlying fundamentals and drivers of the market have provided sufficient resiliency.

Demand to acquire RIAs continues to be strong and valuation levels remain healthy, reportedly hitting a median of 10.0x EBITDA.[1] Q4 2023 continued the consistent M&A streak seen thus far this year, despite a few months of relative low volume scattered in 2023.

In Q4 2023, Dynasty tracked 72 total deals, representing 9% higher than Q3 2023 and 11% over 4Q 2022, and 278 total transactions for the year, an increase of 3.0% year over year. Despite some industry participants commenting on M&A deal volumes slowing down meaningfully, 2023's total deal count was the highest all-time per our records, and even included the second and third highest quarters of all time. Noticeable too was the continued recapitalization of aggregators and the higher median seller AUM deal size, both up notably from 2021 and 2022.

[1] AGS - Inside the Deal Room (June, 2023)

Market Review

So, as we look to 2024, we believe the primary considerations regarding the general health of the M&A market are threefold:

1. Will the leverage levels of serial buyers challenge their ability to continue making acquisitions at the current pace?

2. How will the recent spate of recapitalizations affect the legacy serial acquirers?

3. Will new buyers continue to enter the market, and at what pace?

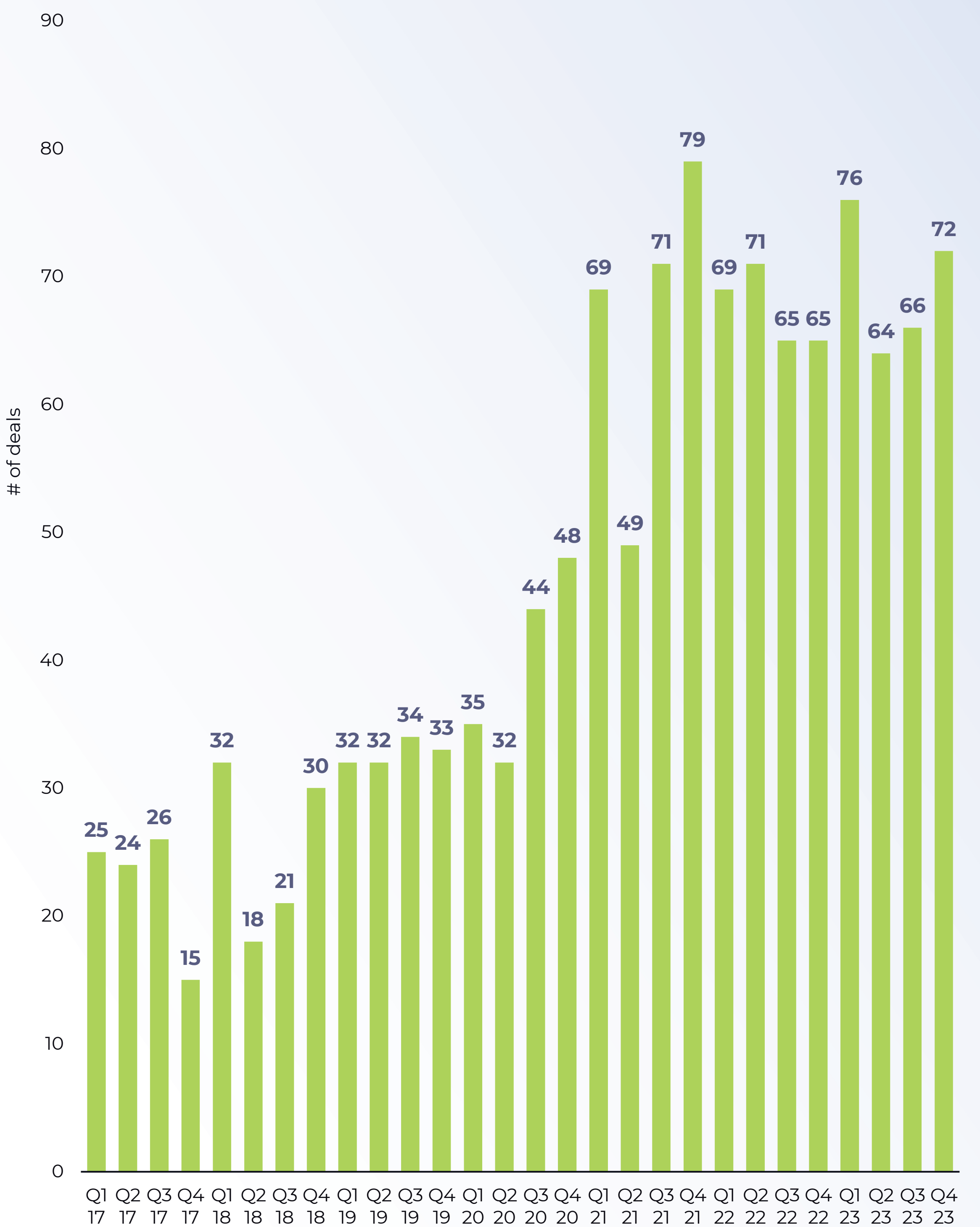
The answer to these three questions will not be fully known for a few more months, but our hypothesis is the overall health of the market will remain strong given the amount of dry powder available in the market to consolidate what continues to be a highly fragmented industry.

We project that 2024 will be more like 2023 and less like the preceding two years in that we now have a consistent and more mature class of RIA investors (with a number of new up and comers), with many firms who have recapitalized and set their sights on new inorganic growth initiatives.

The resilience of the M&A deal volume continues to be driven by several factors, including advisor succession needs over the long-term, the increasing desire for RIAs to professionalize and achieve scale, the breadth and depth of services increasingly required to compete effectively, and new capital entrants entering the market looking to drive growth through acquisitions and consolidation.

With no signs of expected deal volume slowing down in 2024, we would not be surprised to see another attempt at an all-time record year of RIA M&A for a 12th straight year!

2023 RIA M&A Deal Volume



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Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

2023 Dynasty Transactions

Advised BOULEVARD FAMILY WEALTH *On its joint venture with* LucasHorsfall Accountants and Advisors *2023*	*Advised* Aaron WEALTH ADVISORS *On its valuation* *2023*
Advised THE INVICTUS COLLECTIVE *On its financial restructuring* *2023*	*Advised* DayMark WEALTH PARTNERS *On its acquisition of* **Project Country** *2023*
Advised Investment Management of Virginia *On its sale to* PINNACLE ASSOCIATES LTD. *2023*	*Advised* AMERICANA PARTNERS *On its capital investment from* **Dynasty and a consortium of private family offices** *2023*
Advised AMERICANA PARTNERS *On its recruitment of* **Project Knight** *2023*	*Advised* DayMark WEALTH PARTNERS *On its acquisition of* **Project Sandridge** *2023*

In addition to other advisory mandates, Dynasty also invested in 7 RIAs in 2023

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Year in Review Content

Explore the content via the links below

4/24/2023	2023 Q1 Inside the Deal M&A Newsletter
4/24/2023	AdvisorHub Feature: The Independent RIA Owner's Top Four Options In Succession Planning
4/27/2023	Envestnet Summit: Advancing the ball in M&A
5/1/2023	Dynasty Launches Investment Bank
5/3/2023	Webinar: Navigating RIA M&A In This Evolving Market
5/15/2023	Press release: Dynasty serves as exclusive financial advisor to IVMA in its sale to Pinnacle Associates
6/2/2023	Podcast: Around the Track with Shirl Penney
6/21/2023	Webinar: Texas-Sized M&A Success: How to Thrive and Shine as an Independent RIA
7/25/2023	2023 Q2 Inside the Deal M&A Newsletter
8/2/2023	Webinar: From Vision to Success: Building a $30B Independent Wealth Management Firm

Year in Review Content

9/11/2023 — Futureproof Conference: Avoid These 5 M&A Mistakes

10/19/2023 — 2023 Q3 Inside the Deal M&A Newsletter

10/26/2023 — Schwab Impact Conference: What to Do Before Signing on the Dotted Line

11/1/2023 — Dynasty's Path to Succession Readiness Infographic

11/7/2023 — Webinar: Unveiling Successful M&A Strategies: TRUE Private Wealth Advisors "Freedom Without Compromise"

11/15/2023 — Dynasty Investors Forum: M&A Panel

11/15/2023 — Citywire feature: 'Dynasty: Expect new (and familiar) faces in 2024's RIA M&A market'

11/20/2023 — Barron's feature: 'RIAs are getting lots of offers to sell minority stakes. Should they take them?'

12/6/2023 — Webinar: Beyond the Handshake: The Art of M&A Deal Structuring

Explore the content via the links above

Deal Summary and Key Themes Revisited

As we close 2023, we review and analyze the year:

1 — 2023 Deal Data Breakdown

1. 2023 National Deal Data Breakdown
2. Top 10: States By Deal Count
3. Top 10: States By AUM
4. Top 5: By Buyer Type
5. Top 10: Buyers
6. The Best and Worst Months of 2023

2 — 2023 Key Themes Revisited

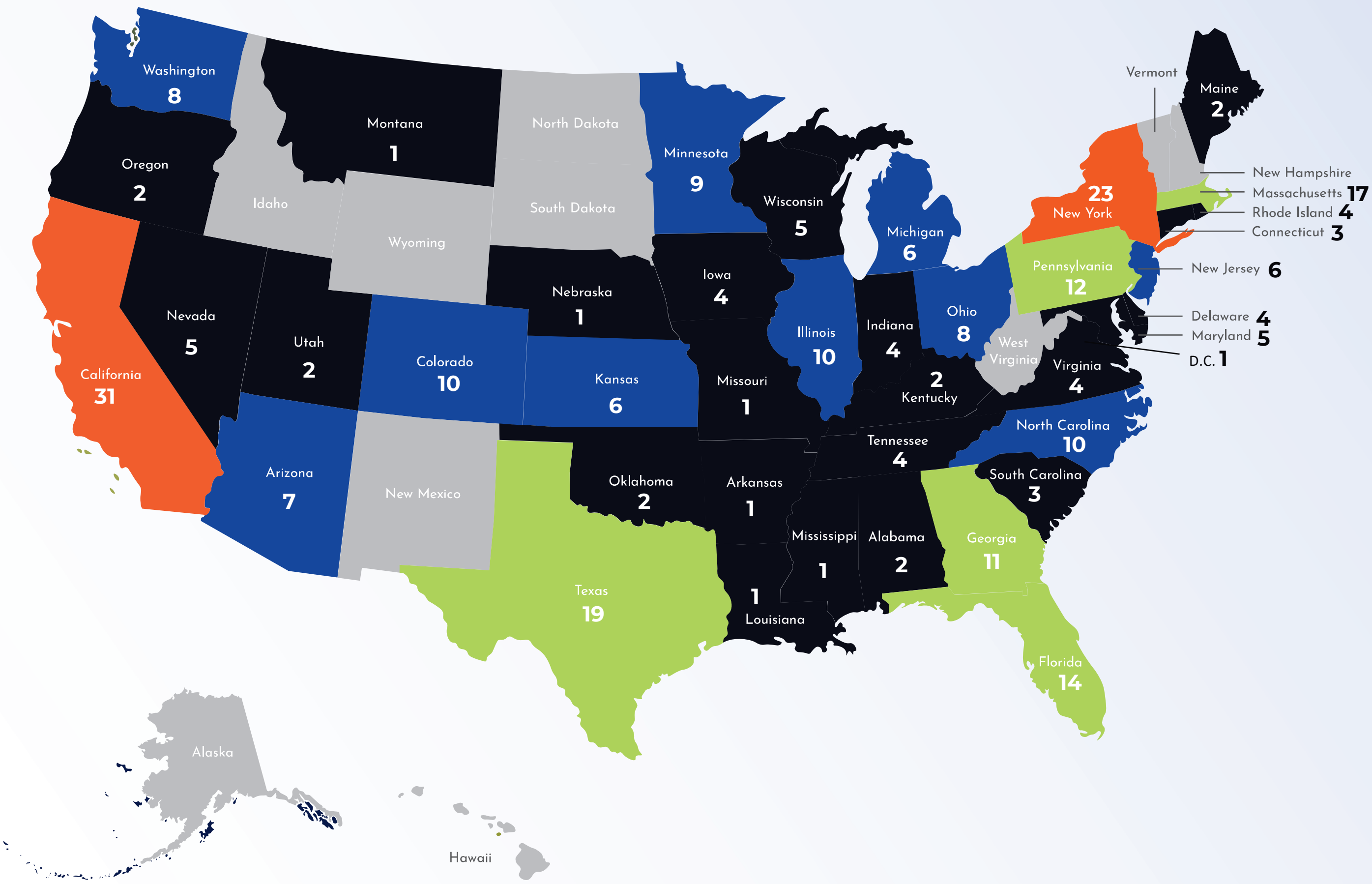
1. Recapitalizations Then and Now
2. New Entrants
3. Under The Radar M&A: Small Deals
4. Lessons From Failed RIA M&A
5. Should You Be Public?

3 — Bonus Theme

1. AI in Dealmaking

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

2023 National Deal Data Breakdown



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Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Top 10: States By Deal Count

1. California (31)
2. New York (23)
3. Texas (19)
4. Massachusetts (17)
5. Florida (14)
6. Pennsylvania (12)
7. Georgia (11)
8. Colorado (10)
8. North Carolina (10)
8. Illinois (10)

Overall, we tracked RIA M&A activity in 40 states and four countries (Canada, Australia, Singapore, and the United Kingdom) for an all-time record of 278 total M&A deals in 2023. We will go into further detail later on in our newsletter, but although some states are not included in the 2023 public M&A record, including Alaska, Idaho, and New Mexico, this does not mean that smaller RIAs and advisors are not 'quietly' transacting in those states.

Unsurprisingly, the largest states (by both population and RIA numbers) had the most total M&A activity. When drilling down into the percentage of transactions versus total RIA population by state, however, this represents 0.33% (down from last year's 0.63%) for California versus 1.98% for North Carolina and 1.31% for Illinois. Interestingly enough this year includes California decreasing its M&A total by 10, New York increasing by 10, and Maryland falling off the list from 4th.

In summary, these high M&A numbers-even amongst the most active areas-are still just a drop in the bucket relative to the total RIA population in these respective states.

Top 10: States By AUM Count

1. North Carolina ($856.4 bn)
2. New York ($528.9 bn)
3. New Jersey ($182.9 bn)
4. Florida ($148.7 bn)
5. Texas ($136.1 bn)
6. Colorado ($100.1 bn)
7. California ($46.6 bn)
8. Pennsylvania ($28.6 bn)
9. Kansas ($25.4 bn)
10. Maryland ($25.0 bn)

In 2023, 278 RIAs totaling over $475 billion AUM (non-aggregators) were either acquired or accepted investment from a third party according to our records. The list this year was dominated by recapitalizations of aggregators (as seen by North Carolina alone being above the year's non aggregator total). The states with the largest number of deals, California, was only the seventh highest AUM totals by state. Finishing in first place was North Carolina, which was headline by Carlyle's recapitalization of Captrust and LPL's minority stake in Independent Advisor Alliance.

What is surprising is that the #4, #7 and #8 states in overall deal volume, Massachusetts, Illinois and Georgia, were both well outside the top ten in AUM by state, while New Jersey (led by Pathstone's two separate recapitalizations by TRIA and Kelso & Company) jumped into third on the leaderboard. As RIA M&A continues to increase not only by volume but also by size, we expect to continue to see historically high AUM levels in 2024, particularly pushed by the larger investments by private equity, insurance companies, and other strategic firms, in addition to the elevated market levels.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Top 5: By Buyer Type

1. **Aggregator**
   166 total deals, $203.8 bn. total AUM

2. **RIA**
   56 total deals, $46.5 total bn. total AUM

3. **PE**
   31 total deals, $1,802.2 bn. total AUM

4. **Broker**
   8 total deals, $127.6 bn. total AUM

5. **Bank**
   5 total deals, $17.6 bn. total AUM

This buyer breakdown tells the story of the current dynamics in the RIA M&A market: aggregators are incredibly active and consummate most of the deals in the space, while private equity has been busy completing sizable transactions with large RIAs and aggregator recapitalizations.

Buyers such as banks, brokers and insurance companies continue to be peripherally involved, the latter two even more than in past years in 2023. All three tend to complete bulkier transactions versus RIAs and Aggregators. RIAs will be discussed in further detail later, but their headline number is distorted by the number of firms who are backed by a third-party sponsor. The real story is how brokerages are beginning to buy RIAs to diversify their business (and revenue quality) and attempt to obtain the 'RIA multiple' as well as more atypical buyers entering the space.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Top 10: Buyers

Aggregator, AUM (in billions), number of deals in 2023

Wealth Enhancement Group	**$5.8 bn**	**15**	Onex and TA Associates backed
Captrust	**$16.2 bn**	**9**	GTCR and Carlyle backed
Merit Financial Advisors	**$1.6 bn**	**8**	Neuberger, HGGC and WPCG backed
Hightower	**$12.4 bn**	**8**	Backers include: Goldman Sachs Asset Management, Neuberger Berman, Coller Capital, Thomas H Lee
Savant Wealth Management	**$8.8 bn**	**8**	Kelso & Company and Cynosure backed
Buckingham Strategic Wealth	**$1.4 bn**	**7**	Focus backed (Now Focus / CD&R and Stone Point)
Cerity Partners	**$13.4 bn**	**7**	Genstar and Lightyear backed
Allworth Financial	**$2.3 bn**	**7**	Backed by Lightyear Capital and Ontario Teachers' Pension Plan Board
Beacon Pointe Advisors	**$2.8 bn**	**6**	Backed by KKR
Waverly Advisors	**$2.1 bn**	**6**	WPCG and HGGC backed
Mercer Global Advisors	**$3.3 bn**	**6**	Backed by Atlas, Genstar, Harvest Partners, and Oak Hill
Creative Planning	**$34.7 bn**	**6**	General Atlantic backed

While it is no surprise that the top 10 (in this case 12) buyers in the market are aggregators, what is far more notable is that the vast majority were recapitalized in the past three years or are in the process of seeking new capital (according to Q4 reports). Nine have gained access to new capital, and Hightower according to recent reports is gaining new access through its majority owner exiting. Only Allworth (2020) and Creative Planning (2020) have not recapitalized in the past two years and are not reported to be looking. What is also notable is that Focus is on this list only in one slot, through Buckingham. CI Financial, after its record in the last few years, did not make the top ten list but did announce five deals in 2023.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

The Best and Worst Months of 2023

Month	Number of Deals	Count of Seller AUM ($bn)
January	25	30.8
February	26	68.2
March	25	123.1
April	19	132.2
May	23	161.5
June	22	80.3
July	24	56.8
August	23	392.1
September	19	929.4
October	21	23.7
November	25	144.2
December	26	95.7

Important historical context and level setting:

The bottom two months of this year, taken together, would be enough to match or beat every quarter before Q3 2020, while the top two months taken together would rank 12th all-time in quarterly deal rankings.

This is worth highlighting when multiple recent quarterly commentaries in the industry over the last two years have grumbled about the potential for the 'wheels falling off' in M&A deal volume, which is clearly not the case.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Recapitalizations Then and Now

Reverberations of 2022 in 2023

Cerity Partners

In June 2022, Genstar announced it was recapitalizing Cerity through buying a majority interest in the company. This supplemented its prior backer Lightyear, which invested in 2017 through buying out Emigrant Bank's stake and renaming 'HPM Partners' in the process. The transaction valued Cerity (at the time it managed $45bn AUM) at around $1.6bn, more than 20x reported EBITDA. Genstar currently also backs Mercer, Orion, and Cetera. Cerity quickly followed the announcement up with successfully deploying capital in quick succession as seen below.[1 2 3]

Cerity made 6 total investments in 2022 totaling $11.2 billion AUM and 7 in 2023 totaling $13.4 AUM.

The Mather Group

In April 2022, The Mather Group accepted capital from Chicago based Vistria Group. This was Vistria's first RIA investment. The investment was billed as a way to further growth, following TMG's 8x in asset growth in the past five years. This deal importantly freed up TMG's capital structure as it has been majority owned by the trust of founder, Stewart Mather, since his death in 2020. Prior to this recapitalization, TMG was reportedly financing its transactions solely through debt capital from Fifth Third Bank.[4]

TMG was Vistria's first RIA investment, fulfilling TMG's desire to being its sponsor's sole wealth management platform.

TMG made 5 investments in 2022 totaling $800mm AUM, and only 1 in 2023 totaling $360mm AUM.

[1] CityWire– 'Genstar buys controlling stake in Cerity Partners' (June, 2022)
[2] FA Financial Advisor– 'PE Firm Genstar Reportedly Buying Majority Interest In Cerity Partners' (June, 2022)
[3] PR Newswire – 'CERITY PARTNERS WELCOMES A RECAPITALIZATION LED BY GENSTAR CAPITAL' (June, 2022)
[4] CityWire– '$8bn Mather Group sells majority stake to PE firm Vistria' (April, 2022)

Recapitalizations Then and Now *Continued*

Reverberations of 2022 in 2023

Under normal circumstances, the effect of aggregator recapitalization is felt somewhat immediately in M&A deal volume, but more so the following year. That seems to have changed in 2022, illustrated by the above examples. In one case this led to an uptick in number of deals/AUM, but in a noteworthy adjustment, TMG has only made a single investment in the subsequent year. This is a sizable departure from its continued top dealmaking status previously.

This is especially important to note given the bevy of recapitalizations which have occurred this year. No more can this space link recapitalization and news lines of credit with increased deal flow from aggregators.

New capital invested in the space no longer guarantees that capital will be deployed effectively through M&A.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Recapitalizations Then and Now *Continued*

Given the above, here is a look at the second half of 2023's aggregator recapitalizations:

CAPTRUST | The Carlyle Group

In September, Carlyle announced it joined GTCR as a minority backer of Captrust. Captrust has executed an extraordinarily successful and aggressive acquisition strategy, with over seventy completed deals since 2006.[1]

Captrust had completed 6 transactions totaling $12.4 billion AUM in 2023 pre-investment and has completed 3 since, totaling $3.8 billion AUM.

Prime Capital Investment Advisors | abry partners

PCIA announced a small minority stake ('well under 25%') by Abry Partners in July. Abry is well versed in the wealth management space, having recently exited a stake in serial acquirer Beacon Pointe, and having just invested in Dynasty Financial Partners.

PCIA, in a remarkably brief span of less than six years, has embarked on a series of acquisitions, accumulating over fifteen RIAs in total, with four completed in 2022 alone.

In 2023 PCIA has completed 3 transactions totaling $1.1 billion AUM, but none since the recapitalization.

Clayton Dubilier & Rice | Focus Financial Partners

Clayton, Dubilier & Rice successfully concluded its acquisition of Focus Financial Partners on August 31st, valuing the enterprise at $7 billion. This transaction represents not just a recapitalization but a fundamental change in the company's ownership structure. Focus has been the flag carrier of RIA M&A for years, pre and post IPO.

Focus has been unusually quiet in 2023 with only one platform deal.

[1] Investment News – 'Firm with $1.4B AUM marks milestone 70th deal for Captrust' (October, 2023)

Recapitalizations Then and Now *Continued*

In October, Neuberger Berman made a minority investment into $9bn Merit Financial Advisors. Neuberger joined Wealth Partners Capital Group and HGGC as minority investors in the serial RIA acquirer. According to its President, Kay Lynn Mayhue, Merit plans to use the proceeds from the capital raise to fund additional M&A. "We have two more deals we will close before year end, six signed letters of intent, and a larger pipeline of M&A deals than ever."[1]

In 2023 Merit has been especially acquisitive, completing 8 transactions totaling $1.6 billion AUM, including 2 since the recapitalization.

In November, $100bn family office aggregator Pathstone reunited with some of its earliest backers as it accepted a minority investment from TRIA (which is led by the same executive team who ran Fiduciary Network, Pathstone's original investor). TRIA joined private equity firms Kelso & Co. and Lovell Minnick Partners who are the aggregators' primary backers. Pathstone claims to not have needed the capital, said CEO Fleissig "We did not need their capital in any way. This is 100% a value-add to the cap table. We were honored as a repeat investor, which I think speaks volumes of what we are doing and what they are doing."[2]

In 2023 Pathstone has made a number of notable deals including paying $294 million in cash to acquire $17bn RIA Veritable LP from Affiliated Managers Group. In total Pathstone completed 4 transactions totaling $55.5 billion AUM

[1] CityWire – '$9bn Merit sells preferred equity stake to Neuberger Berman' (October, 2023)
[2] CityWire – 'Exclusive: TRIA invests in $100bn Pathstone' (November, 2023)

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Recapitalizations Then and Now *Continued*

A counterpoint to the aforementioned argument is that many of the above deals specifically call out the aggregator's desire to further inorganic growth as part of the reasoning for the capital raise, or at least emphasize they do not need the capital. To that the TMG recapitalization is a cautionary point:

> *With the help of Vistria, Mather plans to scale up its M&A activity. Most of TMG's 10 acquisitions over the last five years have involved RIAs with between $100m and $500m in client assets under management, but as they get larger, they're going to want to go after $1bn-plus RIAs as well...Vistria as a capital partner is going to allow them to be ultra-competitive in their offers when they're looking at M&A targets. This probably allows them to win deals against some of these large, household names that they wouldn't have won otherwise.*[1]

We look forward to monitoring the recapitalized aggregators of 2023 in 2024 to see how their strategies adjust, if at all.

1. CityWire – '$8bn Mather Group sells majority stake to PE firm Vistria' (April, 2022)

New Entrants

New RIA entrants and re-entrants support the continued tailwinds for RIA valuations and deal flow, many of whom are set to make headlines in 2024 and beyond:

AMG

AMG is focused on returning to the RIA channel and "investing in some cases 20%, in other cases up to 50%, maybe just over 50%" armed with check sizes of "on the low side, $100mm and maybe on the high side it could be up to $500mm". We look forward to seeing what AMG will do with the reported $294mm cash from the sale of Veritable to Pathstone already mentioned.

AMG made no investments in 2023.

Constellation Wealth Capital

Constellation Wealth Capital formed in 2023 following Karl Heckenberg's surprise exit from Emigrant. Heckenberg has formed an impressive team, though took until December to make a first investment, a minority deal with AlphaCore Wealth Advisory. 2024 looks to be set for some large announcements for the team, judging from the announced target check size and funding ($150m in fund commitments backed by a minority investment by Black Owl Capital Investments, a newly formed family office for Blue Owl Capital co-founders and co-chief executive officers Doug Ostrover and Marc Lipschultz). **Constellation has already announced two deals thus far in 2024 (Perigon and Lido)**.[1]

Rise Growth Partners

After raising over $200mm in fresh capital and, unveiled in September, a plan which involves acquiring 30% stakes in RIAs managing between $750 million and $5 billion in AUM while providing them with executive leadership and technology support, Rise looks set to be a force in 2024 befitting United Capital founder Joe Duran's return to the industry following a brief hiatus following his exit from Goldman.

[1] CityWire – 'Karl Heckenberg unveils RIA minority investor Constellation Wealth Capital' (December, 2023)

New Entrants *Continued*

Ampersand	Although only one deal totaling $700mm AUM thus far; Ampersand looks set to continue to make smaller acquisitions to accrue additional capabilities and scale.
MODERN WEALTH MANAGEMENT	3 total deals totaling $2.7 billion AUM in 2023. Combining the existing success executing this team's vision with the hiring of three new M&A staff in August with $200mm in backing from Crestview Partners, and Modern appears here to stay and look set to continue to be a force in 2024.
ARAX INVESTMENT PARTNERS	1 deal totaling $2 billion AUM in 2023. While the first announced acquisition may have taken longer than anticipated, given its strong backing and strategic direction, Arax Investment Partners is expected to become a more frequent presence in M&A announcements in the future-and is on the record boasting a pipeline of 3 signed deals and 4-6 in the works (as of September). **Arax has already announced one deal in 2024.**

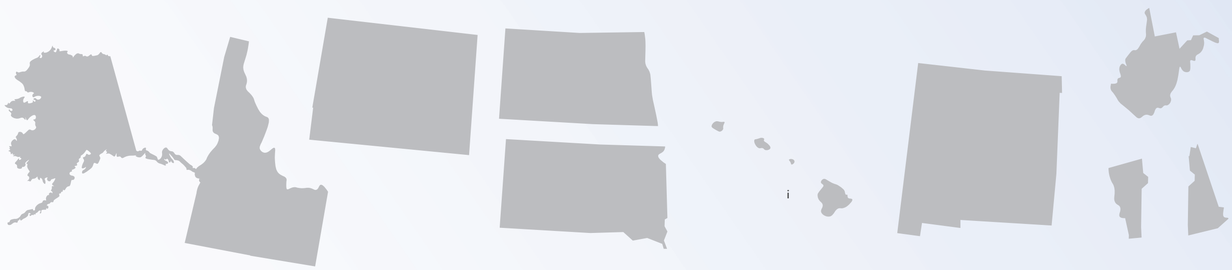
New Entrants *Continued*

Rothschild Investment LLC	1 deal totaling $600mm AUM in 2023. Backed by private equity firm Tin Goose Holdings, Rothschild initiated its first acquisition in August with the merger of Sentinus, an RIA based just outside of Chicago with $605mm AUM. Rothschild Investment Corp. has expressed its intent to continue pursuing acquisitions, with plans to add as much as $1 billion in assets to its portfolio annually.
SteelPeak Wealth Management	2 deals in 2023. Just 10 months post capitalization by Emigrant and SteelPeak has been especially active and has made good on CEO Reza Zamani's blunt quote in the press release. We expect to see further activity from this new buyer in the space.
Golden Gate Capital	Golden Gate entered the RIA market in January, when it bought out Emigrant Parter's minority stake in $4.8bn Parallel Advisors and Autus Asset Management, to take a majority stake in the newly combined entity. This was Golden Gate's first RIA investment, though given Parallel's desire to find a private equity partner who was onboard with their decision to pursue 'an aggressive M&A growth strategy', Golden Gate will continue to be involved in the RIA space even if only as a sponsor and has also not closed the door on additional RIA investments.

Under The Radar M&A: Small Deals

In the first quarter Inside the Deal analyzed the reasons why certain states, seven to be exact, did not have a recorded transaction in 2022.

In 2023 this included the following states:



The reasoning for this ranged from that these states only made up a cumulative 2.9% of RIAs nationally (see below), to that succession related M&A is not usually announced or as clear.

State	RIA count	Overall percentage
Alaska	20	0.1%
Idaho	120	0.6%
Hawaii	46	0.2%
South Dakota	35	0.2%
North Dakota	27	0.1%
West Virginia	27	0.1%
Wyoming	38	0.2%
New Hampshire	158	0.8%
Vermont	50	0.2%
New Mexico	61	0.3%
Total	**580**	**2.9%**

However, we wanted to dive deeper into another reason mentioned in that earlier article, that smaller M&A is hard to count and nowhere near as publicized.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Under The Radar M&A: Small Deals *Continued*

What this means, in plain terms, is that unless someone is privy to the exact details of a transaction, absent a prominent LinkedIn post or press release by the firms in question (which for various reasons is not always in their best interest to do so), the primary way most transactions are known or announced is via one or more of the trade publications. Smaller buyers do not have the same relationships with these organizations, nor the tried-and-true transaction checklists as the aggregators whose acquisitions are prominently displayed with every daily email from wealth management trade publications and the like. These deals are unreported, or at the least underreported.

One decent benchmark for this phenomenon can be seen by deals found in the Fidelity M&A Report, and not in trade publication emails or websites:

Average Deal Size (In millions of dollars)	300	18%	'Underreported' M&A Percent of yearly total
Median Deal Size (In millions of dollars)	281	40%	Percent of deals under $300 million which are 'unreported'

The main takeaway from these stats: if a transaction occurs involving a firm under $300mm AUM, odds are that it might not make a major trade publication. If a deal did not involve an aggregator the odds were even higher, over 90%. Taking this one step further, given that Schwab, Pershing, Altruist, et al. are not as forthcoming with their data publicly, it is a logical conclusion that a sizable amount of M&A data is unreported and under the radar.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Lessons From Failed RIA M&A

A theme we touched on during two separate newsletters in 2023 was failed M&A and its lessons. One of the most impactful events of the past year was the partial unwinding of three major players in wealth management and the lessons learned from those three failed deals.

Regional Bank Reminder

The first two of those, JPMorgan's acquisition of First Republic in May and the announced March acquisition of Silicon Valley Bank by First Citizens, resulted in over forty-five advisor teams totaling over $60bn departing

To their direct wealth management competitors:

While JPMorgan lost advisors in the FRC deal, it did pick up advisors from SVB

The Lessons:

These two situations reinforced what has been learned through a number of past failed M&A deals: any fire sale of one wealth management firm with its own ethos and culture to another firm has the potential to create advisor retention risk. When constructing a deal, in addition to getting objective strategic advice and leveraging previous M&A experiences, parties need to consider:

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Lessons From Failed RIA M&A *Continued*

Size
(e.g., AUM and staff)

Service model
(UHNW clients, targeted niches, how many client meetings a month, multi-family office services, etc.)

Scope
(which services are expected by clients with their fee vs what are paid for by clients)

Cultural Compatibility

In the case of JPMorgan and First Republic, JPMorgan has strong brand recognition and a breadth of services which should be able to support First Republic advisors, but it is still perceived by some as a wirehouse bank, something that many of the advisors sought to flee when they joined First Republic. Why would they want to be forced back if they had a choice?

For SVB it was a story of brand, culture, and execution. It is unclear whether First Citizens, who historically has not had any meaningful wealth management capabilities, can execute a high-end wealth management business plan.

Goldman Update

In August 2023 Goldman Sachs announced they were 'exploring strategic alternatives' for their PFM division, and Osaic was rumored as the leader to acquire it.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Lessons From Failed RIA M&A *Continued*

After Osaic's deal was rumored to have a preferred a deal structure and be a back-end and retention dependent, the sale process pivoted to another large wealth management firm, Creative Planning. In addition, other firms involved in the process were allegedly asked to sign a restrictive NDA whereby buyers had to agree that they would not solicit or employ any Goldman Sachs PFM employees for a period of 12 months.

This was not enough to prevent money in motion leakage away from the buyer and seller in the deal. Shortly after the announcement of the deal with Creative Planning, there were multiple announcements of advisors defecting to other wealth management platforms and players.

End of 2023 Update

The aftereffects of this money movement is still being dissected, and some which may be litigated, so the final chapter of how these defections ultimately unfold will not be known for many months if not years, however, there are several key takeaways advisors and other market participants can learn from these deals:

1 Advisors have an affinity for a good brand with a good culture

Even though the United Capital brand was put into the proverbial graveyard after the Goldman Sachs deal rebranded the group as PFM, Creative Planning announced one of their advisor affiliation options was to bring back the United Capital brand and have advisors who were part of that original brand to operate under United Capital after the deal with Creative Planning was closed.

2 Time kills deals

A feature in both the SVB and First Republic deals is that in the time before a solution announced and the deals closed, the vast majority of advisors who left (as of the time of this writing) either were out the door or solidified plans to leave. In the case of United Capital this was the same outcome, as in the two months between the announcement and closing many advisors left to either stand up their own independent firm again or affiliate with another firm.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Lessons From Failed RIA M&A *Continued*

3 Advisors have a choice

Advisors do not like being told what to do. In the Creative Planning/United Capital deal, advisors balked at their new destination for a variety of reasons. Some felt that status-wise Creative was a step down on their business cards compared to Goldman. Others disliked that they were being sold for a second time (in four years), and that uncertainty was enough for them to consider alternative options. Whatever the reason, this dynamic underscores that mega RIA deals are different. In a business where the primary assets walk in and out of the door every day, those same feet that walk can move in a different direction if they don't like what's in it for them.

At the time of this newsletter the final verdict is still being written. Currently, Creative Planning claims that despite a high number of defections, 175 Goldman Sachs advisors (59% of 300 advisors) left, only $9 billion, or less than 33%, followed. At this time this cannot be verified, as United Capital's ADV is not yet active, and one would guess the departing advisors have not yet finished identifying and transitioning the assets they can potentially capture.[1]

As it stands today, First Republic hemorrhaged over 25% of its advisors (after beginning with roughly 200 at the beginning of the saga) and the First Citizens / SVB deal has seemingly single handedly jumpstarted Cynosure's wealth management business through the hiring of over seven wealth advisors, creating the largest concentration of SVB refugees, and SVB Private's assets have dwindled to under $8bn from over $14bn at the end of 2022 according to the latest announcements.

To emphasize the repeated lessons further, an investment bank can help would-be acquirers think through such risks and help negotiate protections like breakup fees and retention bonuses to mitigate departures and align incentives. But in the end, the core issue with these transactions would result in the same heightened risk with such deals: it's one thing to be acquired under the same business model with just a new name above the entrance, but a completely different story to be merged into a different business with a different pedigree as has been the case in these recent deals.

[1] RIABiz – 'Peter Mallouk ends up losing the majority of Goldman-United Capital advisors in headline-intensive deal but keeps the lion's share of the managed assets' (November, 2023)

Dynasty's Path to Succession Readiness

START HERE

ESTABLISH BUSINESS LIFE CYCLE PLAN
- Time to retirement
- Type of firm you want to succeed (book, business or enterprise)

DEFINE GOALS OF RETIREMENT
- How involved do you want to be? (immediate vs. slow ramp)
- Chairman role?

HOW LONG BEFORE RETIREMENT?

UNDER 3 YEARS

IS NEXT-GEN READY NOW?
- Is financing available?
- Friendly with another like-minded RIA?

NO

SELL BUSINESS TO AGGREGATOR, BANK, OR LARGER RIA

YES

BEGIN TRANSITION
- Tell clients as soon as practicable

OVER 3 YEARS

IS NEXT-GEN READY?

NO

DEVELOP NEXT-GEN
- Focus on hiring, training, or acquiring appropriate Next-Gen talent

YES

BEGIN CONVERSATION
- Involve Next-Gen in organizational decisions and client conversations
- Establish valuation and financing structures

LONG, SUCCESSFUL, ORDERLY TRANSITION
- Slowly move out of the day to day
- Perpetuate business over time

Our Investment Banking team is dedicated to being an advisor to advisors so you can stay focused on your clients.

Engaging in succession is more than just pressing a button, it's about identifying a person, a team, or a firm that is capable of continuing on an advisor's life's work and business, but also honor the same culture and legacy your firm has built today

Four Ways Dynasty Can Help You Build a Foundation for Success and Succession:

1. Create dynamic and accommodative legal and organizational structure
2. Rethink organizational and compensation structure
3. Source and/or identify the right advisors to support your plan
4. Identify the right capital opportunities/providers if the need arises

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Should You Be Public?

In the first quarter this newsletter explored the public wealth management firms, as well as those firms who were trying to join them.

Since that article:

CI PRIVATE WEALTH

CORIENT

CI Private Wealth changed its name and withdrew its IPO effort and instead took in a 20% investment worth $1.34bn by the Abu Dhabi Investment Authority (ADIA), Bain Capital, Flexpoint Ford, Ares Management funds, the State of Wisconsin, and others.[1]

KINGSWOOD ACQUISITION CORP.

WENTWORTH

Kingswood SPAC received yet another three-month extension in November…a year after it was supposed to liquidate. Kingswood still hopes to take broker-dealer aggregator Wentworth public, though even with an additional 10% stake from Owl Creek Asset Management in June it still has not been able to close. Binah Capital (as it would be called) would have roughly $25bn in assets under management and 1,900 affiliated advisors. The merger agreement values the company at $208m on a pro forma basis and the SPAC has been delisted from the NYSE due to not meeting listing requirements.[2][3]

FOCUS FINANCIAL PARTNERS

CLAYTON DUBILIER & RICE

Focus Financial Partners accepted a takeover bid by private equity firm Clayton, Dubilier & Rice to go private. Since the transaction there have been numerous hinting, then outright announcements, that many of Focus's brands will combine, including Colony and Connectus. Focus has only completed one platform M&A transaction this year.

[1] Business Wire – 'CI Financial Announces pre-IPO Minority Investment in its U.S. Wealth Management Business from Leading Global Institutional Investors' (May, 2023)

[2] CityWire – 'Hedge fund takes 10% stake in troubled Kingswood SPAC' (June, 2023)

[3] CityWire – 'Kingswood SPAC deal with B-D aggregator Wentworth gets three-month reprieve' (November, 2023)

Should You Be Public?

Silvercrest Asset Management (SAMG)

High: $22.39

Low: $15.57

As of 12/29: $17.00

Alvarium Tiedemann (ALTI)

High: $15.40

Low: $4.13

As of 12/29: $8.76

1

Volatility of stock price

During Alvarium's brief experience in the public markets, the daily volatility by virtue of being a (smaller) market cap public company is real. AlTi has experienced high daily swings which include in April experiencing highs of $12.70 and lows under $5, though in the latter half of the year their stock price has stabilized. This is partially explainable by its small cap nature (market cap under $1 bn), partially by its limited coverage universe (only one coverage listed publicly), and partially by its nature as a wealth management and asset manager mishmash merged together via SPAC.

Source: Yahoo Finance - 'Silvercrest Asset Management Group Inc. (SAMG)', 'Alvarium Tiedemann Holdings, Inc. (ALTI)' (December, 2023)

Should You Be Public?

2 **Lack of understanding**

Lack of understanding or lower valuation of public wealth management company's business models, relative to the private markets, could stem from a variety of sources. One such source could be a lack of other public company comparables, as none of these public (or soon to be public) companies are like each other, much less to the likes of diversified financials such as Raymond James or LPL.

3 **Low relative valuation levels**

Silvercrest's consistent downward trajectory in share price alone showcases a somewhat cautionary tale here, even while private market RIAs continue to enjoy widespread multiple expansion.

Given the above examples of how public markets can penalize a firm for something out of an advisor's control, it is worth exploring one of the main reasons why being public is in fact appealing and **why we do expect firms to continue to go down this path** despite the increased scrutiny, lower leverage levels, and downsides explored prior. A firm's access to the public markets creates a liquid portal and currency to execute on organic and inorganic growth initiatives (including M&A), in addition to providing free marketing cache to draw new employees and recruits. However, this public market access to liquid capital has its risks, especially if companies take on excessive leverage.

One to Watch:

ABL WEALTH
KNOW THE VALUE OF YOUR LIFE
NASDAQ | ABL

After going public via the SPAC 'East Resources' in July, Abacus Life (ABL) has begun building a new wealth management platform, ABL Wealth, in an effort to compete in earnest in the space. The firm plans to seed this effort with a number of acquisitions and aqui-hires. This is another example of a new style of entrant launching into the wealth management space, and with a market cap of ~$700mm, they have the funds to make this initiative happen if interested.

One New Theme to Watch: AI in Dealmaking

In recent years, AI has emerged as a game-changer across various industries, and investment banking is no exception. The integration of AI technologies has paved the way for improved efficiency in many steps of the M&A process, reshaping the way deals can be conducted, negotiated, and executed.

Below is a brief description of a few emerging trends in AI that have the potential to transform the investment banking industry:

Natural Language Processing (NLP)	A field of AI that focuses on understanding, manipulating, and processing human language that is spoken and written. NLP algorithms can be used to analyze and respond to customer queries, translate between languages, and generate human-like text or speech. This form of AI is not made for generating new outputs like generative AI does but more so concerned with understanding.[1]
Machine Learning	A subset of AI that enables computers to learn from data and make decisions or predictions without being explicitly programmed to do so. At its core, machine learning is all about creating and implementing algorithms that facilitate these decisions and predictions.[2]
Generative AI (subset of machine learning)	An approach to generative modeling that uses deep learning methods to autonomously learn patterns in input data and create outputs. The main concern with generative AI is to produce content.[1]

The top fourteen global investment banks have the potential to boost their **front-office productivity** by as much as **27%–35%** by using generative AI. This would result in an additional revenue boost of **$3.5 million per front-office employee by 2026**.[3]

[1] Darktrace – 'What is Generative AI?' (December, 2023)

[2] DataCamp –' What is Machine Learning? Definition, Types, Tools & More' (July, 2023)

[3] Deloitte – 'Unleashing a new era of productivity in investment banking through the power of generative AI' (July, 2023)

AI in Dealmaking *Continued*

AI Use Cases Throughout the M&A Journey

By automating mundane tasks, generating content, and offering sophisticated analytics, AI technologies can enhance efficiency at every stage of the M&A process, from the initial engagement to the closing phase.

1 **Legal Documents** (engagement letter, confidentiality agreement, bid procedure letters, letter of intent, definitive agreement)

NLP can help identify key terms and conditions in a contract, automating the **drafting, editing and review of legal documents** throughout the deal process.[1] Contract execution can also be streamlined with platforms that employ AI-powered software to connect clients with a global network of experienced lawyers. This can facilitate the efficient processing of routine contracts such as nondisclosure agreements.[2]

2 **Marketing Materials** (pitchbook, teaser, confidential information memorandum)

Generative AI can be highly beneficial for tasks characterized by significant **output generation** and straightforward validation.[3] Through machine learning, AI can extract relevant data from diverse sources and produce content for marketing materials, enabling professionals to save time and reduce manual errors. After finalizing marketing content, investment bankers can expedite the market outreach by leveraging AI tools such as **automated email generation**.[3]

3 Due Diligence

AI has the potential to decrease due diligence document review time by up to 70%, while **uncovering critical provisions** across thousands of documents within a matter of minutes.[4] With AI-powered virtual data rooms ("VDRs"), investment bankers can benefit from **automated tagging** and file organization based on content, in addition to receiving detailed **insights and analytics** of user activity.[5]

[1] SpeedLegal – 'How Natural Language Processing Can Help in Managing Contracts' (February, 2023)
[2] Ontra –' Ontra Contract Automation' (December, 2023)
[3] DealCloud – 'Streamline deal marketing with AI-generated email content' (November, 2023)
[4] Thomson Reuters – 'How AI for M&A due diligence is changing every aspect of the deal process' (April, 2023)
[5] ShareVault – 'The Latest Online Virtual Data Rooms' (November, 2023)

AI in Dealmaking *Continued*

4 Decision Making (select targets or bids)

Machine learning algorithms can assist investment bankers in efficiently analyzing numerous targets or bids by identifying patterns and potential outliers to shortlist serious contenders and refine the selection process. AI is also revolutionizing M&A valuation and predictive analysis by introducing data-driven models that can analyze historical financial data, market trends, and competitive landscapes. These AI-powered tools may not only enhance valuation accuracy but can also provide investment bankers with the insights necessary for strategic decision-making.[1]

Risks & Limitations Associated with AI Implementation

Although leveraging AI to enhance the deal-making process offers numerous advantages, it also comes with its share of challenges that warrant careful consideration and needed mitigation.

1 Confidentiality

Privacy and security concerns arise due to the handling of sensitive data during the M&A process. Generative AI, capable of learning from inputs and retaining information, may inadvertently expose company data when responding to user prompts. If information deemed confidential or classified as a trade secret is used as an input for generative AI tools, it may potentially become public knowledge or lose its protected status. To mitigate the potential breaches of confidentiality, AI systems must adhere to robust data protection standards.[2]

2 Lack of Human Emotional Intelligence

Generative AI models lack inherent understanding of the meaning and context in the text they produce or analyze. No content created by AI is ever truly original and, without the human touch, solutions provided by generative AI are likely to only be slightly improved responses from the past. Interpretation and human creativity remain crucial to maintain a competitive edge in investment banking.[3]

[1] Institute for Mergers, Acquisitions & Alliances – 'Transforming the M&A Process: The Current and Future Role of Artificial Intelligence' (September, 2023)
[2] Bloomberg Law –' Artificial Intelligence Drives New Approach to M&A Due Diligence' (November, 2023)
[3] Forbes – 'How Is AI Going To Shake Up M&A?' (June, 2023)

AI in Dealmaking

Continued

3 'Garbage In, Garbage Out' & Biases

AI-generated output is only as good as the underlying data, which could contain biases, errors, and inconsistencies. Bias in AI algorithms stemming from historical data can lead to unfair evaluations in M&A decisions and require continuous monitoring and correction.[1] Even with flawless data, AI "hallucinations" remain possible, meaning an AI tool could deliver answers that sound plausible based on statistical patterns but are factually incorrect.[2]

The use of AI is subject to regulatory review, so all instances must be approved by your Compliance Department.

AI's transformative impact on the M&A process is undeniable.
As the adoption of these innovations becomes more widespread, there needs to be **an increased focus on ethical considerations**. Companies leveraging AI should develop a framework prioritizing **fairness, transparency, and responsible practices**. For instance, stakeholders should understand how AI is used in the M&A process, AI algorithms should be monitored and there should be clear accountability established for decisions made. This proactive approach is essential to build trust and mitigate potential biases in the evolving landscape of AI-powered M&A.

[1] Institute for Mergers, Acquisitions & Alliances – 'Transforming the M&A Process: The Current and Future Role of Artificial Intelligence' (November, 2023)
[2] Forbes – 'How Is AI Going To Shake Up M&A?' (June, 2023)

M&A Market Color
Q4 Top 10 Deals Announced

Buyer	Seller	Buyer Type	Seller AUM (billions)	Announcement Date	Transaction Rationale
TRIA Capital Partners	Pathstone	Aggregator	100.0	11/13/2023	Capital
Aon	NFP (Wealthspire)	Broker/ Aggregator	24.4	12/20/2023	Capital
Kudu	Sage Advisory Services	RIA	23.0	12/15/2023	Capital
Cynosure	Wellington-Altus	Wealth Management	18.4	12/7/2023	Capital
LPL	Independent Advisor Alliance	Hybrid	17.1	12/19/2023	Capital
Curi Capital	RMB Capital Management	RIA	9.7	11/21/2023	Capital
Neuberger Berman	Merit Financial Advisors	Aggregator	9.0	10/27/2023	Capital
Choreo	BDO USA	RIA	8.1	11/2/2023	Scale, Capabilities
Colony Group	Connectus (US)	Aggregator	7.7	11/30/2023	Capital, Expansion
Sammons Financial Group	Northrock Partners	RIA	5.0	10/25/2023	Capital

Several sources are used to create this report. M&A data is gathered from press releases, trade articles, and other secondary research sources. All publicly announced transactions involving the acquisition of an independent advisory firm are reviewed for inclusion. This data covers the period from October 1, 2023–December 31, 2023 and is ordered by AUM.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

2023 M&A League Tables

RIA Investment Banking M&A Deal Count

1	Park Sutton Advisors (WHA)	22
2	**Dynasty Financial Partners**	**14**
3	Republic Capital Group	10
4	DeVoe & Company	9
5	Advice Dynamics Partners	8
6	ECHELON Partners	7
7	Ardea Partners	6
8	Advisor Growth Strategies	5
8	Berkshire Global Advisors	5
10	Cambridge International Partners	4
10	Gladstone Associates	4
10	Wise Rhino	4

Several sources are used to create this report. M&A data is gathered from press releases, trade articles, and other secondary research sources. All publicly announced transactions involving the acquisition of an independent advisory firm are reviewed for inclusion. This data covers the period from January 1, 2023–December 31, 2023 and is ordered by number of M&A transactions announced.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Dynasty's Investment Banking Client Referral Program

- Do you have a client that is getting ready to sell their business in the near term?
- Do they have a trusted relationship with an investment banker that knows their industry to help them?

Help your client's business prepare for and execute a sale by leveraging our deep investment banking referral network

Benefits of Program Include

✓ Multiple partnerships to choose from

✓ Evaluation of different investment banking alternatives in partnership with Dynasty's investment banking team

✓ Run an effective 'bake off' for your client to help identify the best investment banking team to support your client and their business

✓ Potential for advisor to receive compensation upon transaction close with applicable brokerage licenses

Select Investment Banking Partners

Transaction Size Minimum

Transaction Size Minimum	Partners
> $75mm	Goldman Sachs
$75mm	Houlihan Lokey
$50mm	Capstone Partners; Duff & Phelps
$25mm	TM Capital; True North Capital Partners LLC
$5mm	Mariner Capital Advisors

If you are interested in learning more, please reach out to us at DIB@dynastyfp.com

Dynasty's Investment Banking Team

Dynasty's Investment Banking Team

How we help RIAs grow

The Dynasty Investment Banking team offers three primary service offerings to RIAs to help them reach their next level of growth.

The first offering is transaction support. Our team offers objective sell-side and buy-side M&A support to help an RIA find a succession partner. With a deep bench of Wall Street professionals who have collectively over 50 years of M&A experience, our team can provide expert help with any number of transaction support related tasks including sell-side M&A, deal sourcing, transaction structuring and negotiations, due diligence support, and finalizing and closing deals.

The second service offering is valuations, which provides an objective view for an RIA owner's enterprise by leveraging Dynasty's experience and insight. These valuations have a variety of uses including: M&A level-setting, internal succession, performance benchmarking for founders, and ongoing governance.

The third way we can help is by providing liquidity to founders to achieve a certain business objective without giving up control of their business through three primary capital solutions, including our Traditional Credit, Revenue Participation Interest (RPI), and Minority Investment programs.

Dynasty's Investment Banking Team *Continued*

As a financial technology and value-add wealth management platform, Dynasty Financial Partners began its capital program nearly 9 years ago with our traditional debt program based on the needs of our clients.

Today, Dynasty's Investment Banking team has the premier diversified capital offering in the industry that is exclusively for its clients.

01 Traditional Credit

- Primarily term loan structure with revolving credit facility and guidance facility also available
- Covenant lite
- Interest only feature available
- Minimum term
- Amortization payments required
- Origination fees apply
- No use case restrictions

02 Revenue Participation Interest (RPI)

- Preferred equity structure that monetizes a percentage of revenue
- Innovative "true up" feature offers incremental capital to support growth
- Principals may repurchase revenue interest after a fixed period of time
- Minimum payment thresholds
- No use case restrictions

03 Minority Investment

- Noncontrolling, passive equity structure with minimum 6-year investment period
- Favorable liquidity options – ability for RIA to sell additional equity upon Dynasty exit
- Limited governance terms
- Minimum dividend
- No use case restrictions

All of our capital programs are designed exclusively for RIAs to support a firm's strategic growth objectives. Please reach out to us and let us know how we can be helpful in tailoring a capital solution that is right for you and your firm.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Harris Baltch

Managing Director, Head of Investment Banking

Harris Baltch is responsible for leading Dynasty's Investment Banking division. Prior to joining Dynasty, Harris spent nearly a decade at UBS Investment Bank where he was an Executive Director in the firm's Financial Institutions Group. While at UBS, Harris originated, led and executed over $10 billion of strategic M&A and capital market transactions for companies in the asset and wealth management industry.

Earlier in his career, Mr. Baltch worked at PricewaterhouseCoopers LLP in the Banking and Capital Markets Group. He has over 15 years of financial services experience and earned his M.B.A. from the Johnson Graduate School of Management at Cornell University. He also received a B.S. in Accounting at Binghamton University and is a certified public accountant, registered in the State of New York.

Dylan Dierig

Assistant Vice President

Dylan spent 4 years as a M&A investment banker between Raymond James Financial and Falls River Group focusing on financial technology and healthcare industries. Executing on over $2 billion in sell-side M&A transactions for both private and public companies.

Dylan received a Masters of Science in Finance from Villanova University and a B.A. in Finance from the University of Kentucky.

William Ross, CFA

Assistant Vice President

William worked as an Associate for Emigrant Partners, focusing on sourcing and executing new investments.

William was previously a Fixed Income Portfolio Management Associate at U.S. Trust, managing over $1.0 bn of fixed income assets. Prior to U.S. Trust, he worked as an intern at Wolfe Research on the consumer staples team. William received his MA in Management from the University of St Andrews.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Victoria Cangero

Senior Associate

Victoria worked as an Associate for Dynasty, focusing on supporting client inquiries and quality assurance.

Victoria held internships with UBS' Investment Banking group in New York and JP Morgan's Corporate Banking group in Miami. Victoria graduated from Florida Southern College, majoring in economics and finance and minoring in accounting. She was also a starter on their women's golf team.

Amelie Russo, CFA

Senior Associate

Amelie worked as a Treasury Analyst for Intertape Polymer Group. She was previously a Corporate Banking Analyst at International Finance Bank, monitoring a portfolio of syndicated leveraged loans and sourcing investment opportunities. Amelie swam for the NCAA Division I team at West Virginia University where she received a M.S. and B.S. in Finance.

Sam Anderson

Managing Director, Head of Corporate Development

Sam Anderson is Head of Corporate Development at Dynasty Financial Partners LLC. Prior to joining Dynasty, Sam was Senior Managing Director and a member of the Management Committee at Medley Management Inc. Prior to joining Medley, Sam was Head of Commercial Finance M&A within the Financial Institutions Investment Banking Group at Goldman Sachs. Prior to joining Goldman Sachs, Sam was a member of the Investment Banking Financial Services Group at Bank of America. Prior to his time at Bank of America, Sam held various positions at Citi Smith Barney.

Jamie Gardiner

Director, Business Development

James is a member of Dynasty's Network Development team, focusing on existing RIAs and M&A/Capital. He consults with existing RIAs looking to leverage Dynasty's scale to identify synergies that lead to more profitable businesses.

Prior to joining Dynasty, James was Co-Founder and COO of TPW Investment Management. James helped lead JFG from a startup to one of the industry's leading ETF Strategists, which was acquired in late 2017.

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Get In Touch

We look forward to hearing from you, any questions may be subsequently featured in upcoming issues!

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