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FINANCIAL PARTNERS

Inside the Deal

M&A Newsletter

Q1 2025

A Brief Note from the Team

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Welcome to the end of Q1 and the seventeenth 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.

In our seventeenth issue, we reflect on RIA dealmaking through the first quarter of 2025 and zoom in on the trends that could define the rest of the year. Following a record-breaking year for RIA M&A in 2024, activity remained strong in Q1 despite elevated market volatility and uncertainty. While macro conditions may stay choppy, the resilience of the RIA model continues to attract capital and drive consolidation.

By all accounts, capital keeps flowing into the space and deal multiples remain competitive. This has created a 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.

Looking ahead, deal momentum is expected to persist, particularly among larger firms seeking to capitalize on niche opportunities, integrate innovative technologies, and strengthen their talent pools. As the year unfolds, the ability to steer through market turbulence will determine who's best positioned to grow through change.

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, Co-Head of Investment Banking

Sam Anderson
Managing Director, Co-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

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The first quarter of 2025 saw a continued surge in RIA M&A activity, with deal volume trending upward as firms leaned into strategic growth opportunities. Valuations remained healthy at a median multiple of 11.0x EBITDA reported by some public sources.[1]

Despite a backdrop of macroeconomic uncertainty, buyers stayed active, motivated by the need to scale, expand service offerings, and strengthen competitive positioning. On the sell-side, activity was fueled by a mix of succession planning, de-risking, and the desire to capitalize on historically high valuations. Many advisors pursued transactions to monetize equity and gain access to centralized resources.

At the same time, the market grappled with elevated volatility, shaped by interest rate swings, inflationary pressures, geopolitical tension, and newly imposed tariffs. While these factors contributed to a more cautious tone, they had little impact on the overall pace of activity.

The last time we saw extreme volatility was during the Covid crisis of mid-2020. During this time, the world was frozen - interest rates went to zero, office workers remained remote until further notice and the US unemployment rate skyrocketed; however, as the world adjusted to the new normal, RIAs and their advisors needed to be more proximate than ever in what was then considered a virtual-only world. As markets recovered, and employment levels returned to normalized levels, RIA M&A activity did not miss a beat and accelerated in volumes year after year. Even though the current market backdrop is different, the underpinning themes in our industry such as fragmentation and succession remain unchanged and the number of interested investors in our industry are more prevalent than ever.

With 296 deals, 2024 set a new benchmark for RIA M&A — and if Q1 is any indication, 2025 is already on track to set a new record. Dynasty tracked 84 deals in Q1 – down 16.8% from Q4 2024 – but up a notable 29.2% compared to the same quarter last year. The 315 total transactions over the last twelve months represent a robust 18.0% year-over-year increase.

Heading into Q2, the outlook for RIA M&A remains favorable, supported by a competitive buyer landscape and continued confidence in the long-term fundamentals of the wealth management industry.

So, as we look to 2025, we believe the primary considerations regarding the general health of the M&A market are:

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?**
4. **How will the new class of buyers (sovereign wealth funds) affect the market moving forward?**

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 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.

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

1. AGS - Inside the Deal Room (March 2025)

Q1 2025 RIA M&A Deal Volume

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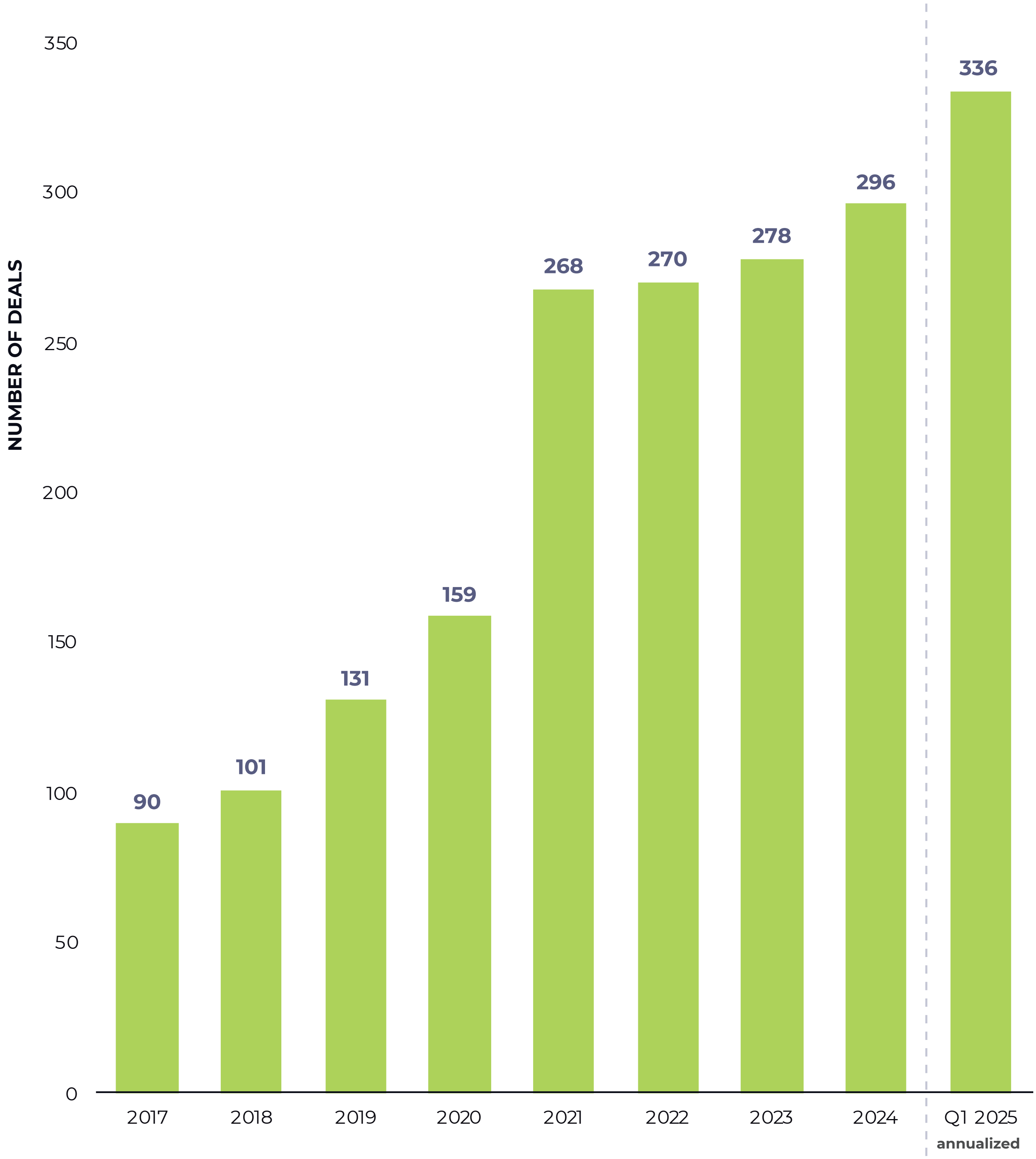

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request.

Q1 2025 Key Themes

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1 Q1 2025 Deal Stats

2 Is the Market for Minority Stakes Saturated?

3 Will Sovereign Wealth Have its Moment?

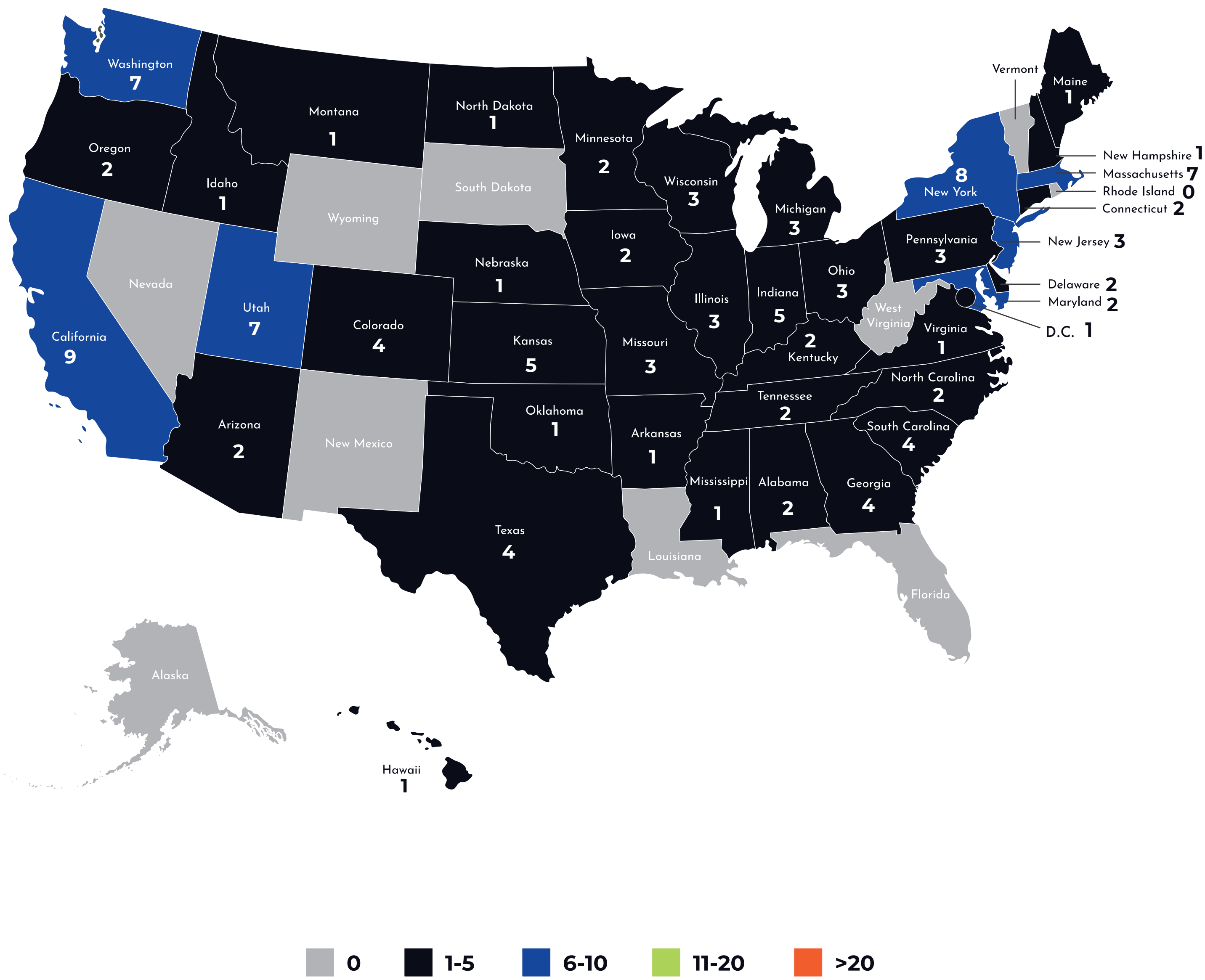
4 Behind the Scenes of a Succession Plan (Part 2)

5 The Great American Advisor Shortage

6 Capital and Beyond

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

2025 Q1 National Deal Data Breakdown



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

Americana Partners Expands into California with Strategic Acquisition of Boulevard Family Wealth

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Transaction Details

- Houston-based Americana Partners, an RIA with over $10 billion in assets under management, has completed its first acquisition outside Texas by acquiring Beverly Hills–based Boulevard Family Wealth
- The deal creates a combined $12 billion platform, broadening Americana's reach into the ultra-high-net-worth market and entrance into the California market
- Both firms are members of the Dynasty Financial Partners network

AMERICANA PARTNERS

Announced the Acquisition of

BOULEVARD FAMILY WEALTH

March 2025

Strategic Rationale

1. This move not only extends Americana's geographic footprint with its inaugural expansion beyond Texas, but also enhances its capacity to serve ultra-high-net-worth clients, particularly in the Southern California region
2. Boulevard's deep expertise in complex wealth strategies, insurance and tax-efficient planning for UHNW families complements Americana's broader institutional resources and robust technology platform
3. The acquisition enables Americana to scale its offerings with an expanded internal team, faster execution capabilities, and enhanced access to specialized advisors

Americana Partners

- Founded in 2019, Houston-based Americana Partners has rapidly grown its AUM to over $10 billion, serving high-net-worth and ultra-high-net-worth clients nationwide
- With offices in Houston, Austin, Dallas, and Midland — and a recently launched division serving Latin American clients—the firm leverages the support of Dynasty Financial Partners to offer both traditional and alternative investment solutions
- Lovell Minnick Partners acquired a majority stake in Americana Partners in October 2024 - a key factor in enabling Americana's accelerated growth and expansion

Boulevard Family Wealth

- Boulevard Family Wealth, founded in 2017 and based in Beverly Hills, specializes in personalized wealth management for ultra-high-net-worth clients
- Led by founder Matt Celenza, the firm will continue to operate as the lead advisor under the Americana umbrella

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

Is the Market for Minority Stakes Saturated?

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A minority investment involves an external investor acquiring a partial stake in a business. In the wealth management industry, minority stake deals offer a balanced approach to growth since they allow firms to retain significant autonomy while benefiting from the financial resources and strategic support from a capital infusion that can drive expansion. Minority deals offer RIAs a strategic way to access capital, optimize liquidity, and navigate industry consolidation while maintaining operational control and independence.

From 2019 – 2024, the number of minority investments in the wealth management industry grew at a compound annual growth rate (CAGR) of **45%**. There were **52 minority transactions** announced in 2024, a **48.6% increase** from the 35 deals announced in 2023, marking the highest recorded total in wealth management history[1.]

On the flip side of this record activity, high-quality investment opportunities are arguably becoming harder to find, valuations continue to remain at elevated levels as the industry grows, and, as the independent movement expands, founder autonomy concerns abound.

In the face of these converging forces, is the market for minority stakes on track to run out of steam?

The Case for Continued Momentum

- *Capital Infusion for Strategic Expansion*
  As RIAs seek to scale operations, enhance service offerings, and invest in technology, minority capital provides a vital funding source - without requiring owners to surrender operational control – to pursue long-term growth initiatives while preserving their entrepreneurial vision and spirit.

- *Liquidity Optimization Amid Elevated Valuations*
  With RIA valuations at historical highs, minority investments present an attractive option for founders seeking partial liquidity while retaining operational control. This strategy allows advisors to diversify their personal wealth while maintaining meaningful ownership and upside in the firm’s long-term growth.

- *Institutional Expertise to Navigate Industry Consolidation*
  Minority investors bring industry knowledge, deal structuring expertise, and operational efficiencies that position firms to scale effectively, compete for acquisitions, and successfully implement succession strategies.

- *Competitive Positioning in a Fragmented Market*
  As the industry consolidates around larger, well-capitalized platforms, minority equity enables independent RIAs to fortify their infrastructure, strengthen compliance frameworks, and sharpen their competitive differentiation. This ensures firms remain attractive to prospective clients and advisors while retaining independence.

- *Equity Alignment for Talent Retention and Succession*
  Talent retention remains a critical priority as aging advisors and next-generation leaders evaluate ownership opportunities. Minority capital helps support and implement structured equity-sharing, such as performance equity plans, that align advisor incentives for growth and client preservation and growth, to provide seamless liquidity solutions for retiring partners—all without destabilizing the business.

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

1. Echelon Partners - 2024 RIA M&A Deal Report

The Case for Saturation

- ***Competition Among Minority Investors is Heated***
  The market for minority equity in the RIA space is becoming increasingly competitive, driven by the sector's strong growth prospects and attractive returns. Established players like Constellation Wealth Capital, Emigrant Partners and TRIA continue to actively pursue minority stakes in RIAs. At the same time, a new wave of specialized minority equity firms is emerging. Firms like Rise Growth Partners are focusing exclusively on minority investments in RIAs. These niche investors differentiate themselves by offering solutions that align with the specific goals of RIAs. Their focus on preserving autonomy is particularly appealing to RIA founders who want to maintain control while accessing growth capital and institutional expertise.

- ***Limited Supply of High-Quality Targets***
  While the RIA industry is large and fragmented, the pool of attractive minority investment opportunities is limited. Many "top-tier" RIAs have already secured minority capital or been acquired, leaving fewer higher-growth, well-managed firms available for investment. Smaller or less-established RIAs may not meet the criteria for institutional investors, further narrowing the supply of these viable targets.

- ***Valuation Pressures***
  RIA valuations have reached historic highs, driven by strong demand for minority stakes and the sector's growth potential. Elevated valuations may make it harder for investors to achieve their desired returns, especially if growth slows or market conditions shift.

- ***Founder Expectations and Autonomy Concerns***
  Many RIA founders are wary of relinquishing control, even in minority deals, and may demand highly favorable terms to maintain autonomy. As investors compete for deals, they may be forced to accept terms more favorable to the seller, such as valuation with less structure, more selectivity on governance rights and targeted influence over strategic decisions. Given the nature of this investment is to be passive but strategic capital, over time, this dynamic could have the potential to erode the value proposition and create a meaningful selectivity bias for minority investors over time.

Clearly, the trend of minority capital investments reflects a broader shift in the RIA ecosystem, where minority equity is utilized as a strategic tool for professionalizing and scaling operations, navigating consolidation, acquisition and recruiting and ensuring long-term sustainability without sacrificing independence. As the industry continues to grow, the question is whether the supply of quality minority opportunities will keep up for investors.

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

Will Sovereign Wealth Have its Moment?

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As the growth in the number of independent RIAs continues to outpace that of advisors in traditional wirehouses, the valuations of those RIAs have also skyrocketed, for many reasons.

Evolving technology helps level the playing field, allowing smaller, emerging RIAs to offer client experiences and product arrays on par with the larger players. By nature, independent RIAs tend to have strong client-retention rates, which, along with contractually guaranteed recurring revenue and managed overhead costs, enables them to expand quickly without the need to take on outside capital through the form of equity or debt. In addition, it is difficult to ignore the "mega-trend" making wealth management such an attractive sector to invest in today - an aging population accumulating more wealth than previous generations. It is no wonder the space has attracted private equity investment – are Sovereign Wealth Funds (SWFs) next? Early indications point to yes, as several SWFs have targeted RIA deals in the past year.

In November, **Mubadala**, the $302 billion Abu Dhabi sovereign-wealth fund, took Toronto-listed **CI Financial** private in an all-cash deal. As one of the largest RIA transactions of 2024, it valued CI Financial at approximately $3.4 billion, representing a 33% premium over its last closing price before the announcement. This transaction provides Mubadala Capital with significant exposure to the North American wealth management market and will support CI Financial's expansion in the United States, where it now operates as **Corient**[1]. The company has been aggressively expanding by acquiring several US-based companies and advisory firms in the last few years, growing its U.S. assets by over 50% since 2022, as of September 2024[2].

In June 2024, **ADIA (Abu Dhabi Investment Authority)** and **Advent International** acquired a minority stake in **Fisher Investments**, marking the first-ever outside investment in the $277B AUM firm, the world's largest independent RIA. The investment amounted to $3 billion, valuing Fisher Investments at approximately $12.75 billion.

In June 2024, **GIC**, Singapore's sovereign wealth fund, made a direct investment in Mercer Advisors, a $70 billion AUM wealth management firm. GIC's investment is part of a broader strategy to align with long-term, stable capital. Unlike private equity firms with shorter investment horizons, GIC aims to hold its stake for many years, offering continuity and flexibility for Mercer's future growth.

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

1. CI Financial Press Releases, November 2024
2. Reuters, 2024

Mercer's ownership includes multiple investors, including **Altas Partners, Oak Hill Capital**, and, now, **GIC**, creating a private market structure that allows for liquidity trades among investors without disrupting the firm's strategic direction.

SWFs to Step in as Primary Capital Providers?

The Mercer deal points to a specific opportunity in the RIA space for SWFs. As large RIAs (e.g., Captrust, Creative Planning, Wealth Enhancement Group, etc.) grow, they are eclipsing the backing capacity of a single private equity firm. Instead, consortium ownership models, like Mercer's mix of Altas Partners, Oak Hill Capital, and GIC, offer flexibility, allowing firms to manage liquidity events, and reduce the pressure of single investor exits. A key advantage for RIAs is that SWFs and pension funds have lengthier investment horizons, allowing RIA managers to focus on long-term growth instead of short-term returns driven by traditional PE holding periods. On the flip side, the fee-based revenue model of RIAs provides stable cash flows, making them an appealing asset class for SWFs looking to diversify portfolios.

No Strangers to Financial Services Investments

Prior to 2024, direct investments by SWFs in RIAs were uncommon. However, SWFs have historically engaged in the broader financial services industry:

- In June 2024, **QIA** agreed to acquire a 10% stake in **China Asset Management Company**, China's second largest mutual fund company. This deal highlighted QIA's interest in expanding its footprint into asset management
- **ADIA** has been an active investor in global financial markets. Notably, in 2007, it invested $7 billion in **Citigroup**. In 2017, ADIA also took a $2 billion stake in **Apollo Global Management**, strengthening its exposure to private equity and asset management.
- In 2023, Singapore's sovereign wealth fund GIC partnered with the Rothschild family to take **Rothschild & Co** private in a $4 billion deal.

Potential SWFs On Deck?

Public Investment Fund (PIF) – Saudi Arabia

PIF has expanded beyond its typical infrastructure and technology investments into financial services. The fund PIF has taken strategic stakes in global asset managers, including a $500 million investment in Blackstone's infrastructure fund and a significant stake in Capital Group's private equity arm. The fund was also an anchor investor in State Street Global Advisors' bond ETF ($200 million commitment in 2024), signaling an increased interest in institutional asset management. Of note, Saudi Arabia's Vision 2030 initiative includes growing its financial sector, making RIA investments a natural fit.

China Investment Corporation (CIC)

- Historically, CIC has acquired stakes in traditional and alternative asset managers, including **BlackRock, Brookfield Asset Management, and Schroders**, among others. CIC has a history of partnering with private equity firms and institutional investors, making the consortium-style ownership of large RIAs an appealing structure, while aligning with its strategy of diversifying across asset classes.

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

Behind the Scenes of a Succession Plan, Part 2

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A Q&A with Bradley Kowalczyk
Partner, Ascent Wealth Partners

Our conversation with Brad Kowalczyk continues.

His candid deep dive into the succession process has hopefully helped other advisors or firms who may be contemplating their own exercise.

For your background, in 2024, Dynasty Investment Bank advised Ascent Wealth Partners, a New York-based independent RIA, on structuring its succession plan. When a longtime advisor and equity owner of the firm decided to retire, Ascent viewed it as an opportunity to enable the next generation of leadership to become owners of the firm. Specifically, three next-gen advisors and leadership team members succeeded the retiring advisor, funding their buyout with a combination of bank debt and seller notes, based on an agreed-upon valuation.

In the transaction, each next-gen advisor entered into a purchase agreement with the retiring advisor to fund the purchase. Advisor compensation (excluding equity distributions) was normalized to an equity ownership salary cap, and on a go-forward basis, the team of next-gen advisors would receive ownership distributions and remit seller note interest expense and principal to service the liability back to the original equity owner.

Here are excerpts from part two of our discussion, in Brad's own words

On client relationships and the future direction of the firm...

Q Have there been any changes in the way clients are served or in the firm's approach to client relationships?

We have always been conscious of having back-up relationship managers for our clients. However, the sale of a partnership interest shines a new light on the departing partner's client relationships. I think it's fair to say that increased attention is directed to a departing partner's relationships. This includes looking to directly assign and introduce a new face to each relationship. While our approach to servicing the clients remains the same, the introduction of a new relationship manager can be positive cause for a "refresh" of the existing dynamic, often opening the door to new conversations and opportunities.

Q How does the succession align with the firm's long-term growth strategy?

The succession from the sale by a G1 Partner to three new G2 Partners aligns purposely with our firm's long-term growth strategy. This succession provides for continuity and depth of ownership and leadership. One partner has been replaced by three, allowing for greater capacity in a variety of ways, including bench strength for future growth.

Brad's Personal Perspective...

Q What has been the biggest learning experience for you as a partner of the firm during this transition?

The biggest learning experience for me as a Partner during this transition has been the insight that it is the simple attributes that get the deal done – not complicated maneuvering or calculations.

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

Characteristics such as patience, planning, transparency, and consistent communication combine to create an environment of trust that allows for healthy negotiations and that ultimately leads to fair deal terms. Grinding and staying on course is essential, but an atmosphere of trust, mutual respect, and fairness must be present all along the way.

Q What advice would you give to firms or advisors preparing for a succession event?

Simple advice that I would give to those preparing for a succession event would be to first take a self-aware honest view of the proposed transaction. Next, trust your gut. If your sense is that it won't work without significant problems, then don't do it. A "forced" deal will end up as a "failed" deal. If you trust your gut, then enter the deal looking to find the solution that works best for all. Be vulnerable enough to allow for the ideas of others to reshape your original thoughts. The right deal will fall into place when the proper combination of parties works together a bit selflessly to find common ground.

Q What was the most unexpected thing that happened during or because of the process?

While I was confident in the long-term success that our transition would bring, one of the more unexpected outcomes of the process was how quickly everything fell into place after we closed the deal. Our new G2 partners were more than ready to step into place and take on the role of partner immediately. Any concerns that we as G1 partners may have had of the next generation being ready or willing to roll-up their sleeves and carry the burden of managing the firm was immediately addressed. I am pleased to say that I am now the beneficiary of one selling G1 Partner being turned into three new G1 Partners. I look forward to continuing to welcome their mindset, input and effort into the evolving growth and structure of our firm. It's been an exciting refresh moment for me.

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

The Great American Advisor Shortage

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The backdrop

The statistics are stunningly at odds.

According to Cerulli, nearly 37% of advisors in the independent RIA space will transition out of the industry over the next decade. That is 31,000 advisors!

And that 37% represents 35% of all AUM in the independent and hybrid RIA space. That is $3 trillion!

This disturbance in the force extends well beyond the independent segment: The total number of advisors entering the wealth management space has all but ground to a halt, with headcount increasing by just 0.2% over the last ten years.

Layer on top of that dynamic the heady merger and acquisition environment, driven in part by the class of retiring advisors, and by the fact that over half of firms with at least $500 million or more in assets under management (67% of the industry's total AUM) are currently exploring M&A.

Retirement-outpacing-recruitment – which we have coined The Great American Advisor Shortage - is rocking the wealth management industry today. And it is more than just a revolving door discrepancy; the rise of the independent RIA movement has added an additional dimension to the nearly 100-year-old industry, shaking up the snow globe landscape of wealth management like never before. In fact, Cerulli reports that the wirehouse channel is losing advisors at the fastest rate in the wealth management industry, largely due to the growth of the independent RIA sector.

What will the industry look like when it settles? And what effects will the imminent standoff between demand and supply have on the RIA space, in particular?

Within change lies opportunity for... M&A

McKinsey estimates that by 2034, the wealth management industry will be short 100,000 advisors.

Yet, at the same time, the demand – and expectation - for strong wealth and asset management services is only growing, with the needs of investors only increasing in complexity, requiring more sophisticated financial products

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request. Cerulli 2024, McKinsey.

and technology – and certainly not fewer advisors to deliver it.

In the RIA market specifically, Cerulli cites nearly three quarters (74%) of RIAs signal succession planning or exit strategies as key factors influencing their decision to join a larger RIA platform or aggregator. This creates an extraordinary, target-rich opportunity for seasoned RIA buyers to acquire smaller practices in need of an exit strategy but unable or ill-prepared to opt for internal succession.

Further, the need for increased productivity could drive consolidation in the industry. Smaller RIAs who join larger consolidators will benefit from middle and back-office support, allowing them to spend more time on client-facing and revenue generating tasks. For those RIA teams who choose to, the option also exists to operate independently and leverage an integrated RIA platform model such as Dynasty's that provides synthetic scale and allows advisors to be Independent But Not Alone™.

In addition, to answer the call for more sophisticated and expansive service offerings, as well as much-needed talent, RIAs could leverage M&A to enhance their depth and breadth by bringing on specialties such as philanthropy, tax, family governance, trust, and estate. In light of the severe shortage of financial advisors entering the wealth management industry, M&A could also be used as a human capital strategy to "hire" well-performing team members that support financial advisors as well.

...unprecedented competition for talent

Speaking of talent, according to Charles Schwab's 2024 RIA Compensation Report, recruitment strategies and employee policies need to adapt for the industry to close the retiring/hiring gap.

In its survey of more than 1,000 RIA firms, Schwab reported that traditional recruitment strategies are shifting and casting a wider net, looking beyond traditional sources. Recruitment currently ranks third among RIA concerns, and the study found that over the next five years, the industry will need to hire more than 70,000 new staff just to sustain current growth rates.

...over the next five years, the industry will need to hire more than 70,000 new staff just to sustain current growth rates.

As part of the broader recruitment push, wealth management firms are revisiting – or creating - Employee Value Propositions, the set of benefits, rewards, and experiences an employer offers employees, going beyond salary and benefits. RIAs are increasingly emphasizing mission, culture, and values, in addition to compensation, to attract – and retain - employees. RIAs are also reimagining mentorship and career development efforts. The Schwab study reported that more wealth managers have launched in-house career development programs to assess the skills needed for the future of the firm, define the necessary roles within the firm, and create a plan to find the right talent.

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request. Cerulli 2024, Schwab.

Capital and Beyond

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Show me the money... and what comes along with it.

While capital itself is important for the growth of your business, depending on your goals, other aspects related to the provider of that capital ought to be considered, as well.

It is an exciting time to raise money in the RIA space, the fastest growing segment in wealth management. Cerulli reports that the combined hybrid and independent RIA channel represented a 10-year CAGR of almost 9% - more than 5x retail bank broker dealers and almost 7x the growth of national and regional broker dealers. More than ever before, investors recognize the opportunities inherent in the RIA space. For those RIAs seeking a business-boosting infusion, it is important to educate yourself on the various styles and strategies of different capital providers – as we call it, Capital and Beyond.

Securing an investment in your firm can open the door to that investor's business networks, expanding your reach within and outside of the industry, including with potential clients and partners. Is the investor part of one or multiple end client referral programs (custodian, local referral partners, i.e., accountants, lawyers)? Does the investor know people in the industry, and would those connections be beneficial in executing deals?

Investors, especially those with experience in the wealth management industry, can provide mentorship and guidance, sharing their knowledge and insights to help your business grow. Having investors can also enhance your firm's credibility, making it more attractive to other investors, partners, and clients.

Do not underestimate an investor's ability to present opportunities you might not have considered, such as introductions to key decision-makers, enabling potential collaborations, or even strategic partnerships. Investors may also be able to leverage their own resources, such as marketing expertise, sales channels, or distribution networks, to support your firm's development.

Who are you partnering with? What can they bring to the table?

The following briefly explores the approaches of four investors who are active in the wealth management, and particularly the independent RIA, space.

When evaluating a potential investor or partner, it is important to note the differences between strategic and capital partners. A strategic partner collaborates with you to achieve shared goals, offering expertise or resources, while a capital partner invests financially, prioritizing returns on their investment. An example of a strategic partner would be a company partnering with a technology provider to integrate new software, or a manufacturer partnering with a distributor to expand into a new market. In these cases, the partnership is strategic because both partners remain independent. A capital partner is more often a venture capital firm investing in a startup, or a private equity firm acquiring a company with the goal of improving performance and selling it at a higher price.

In wealth management, many capital partners have positioned themselves as capital plus strategic partners, but the degree of their strategic influence to support growth and stability in the underlying firms varies significantly. Put simply, what does a firm actually do, versus how they define what they do?

Sources: Dynasty Financial Partners, public information including press release, trade articles, and other secondary research. Specific sources can be produced upon request. Cerulli 2024.

Merchant

Merchant operates as and positions its business as both a strategic and a capital partner, providing growth capital, management resources, strategic opportunities, and guidance to independent financial services companies. In order to do this, the firm invested in other third-party businesses in its ecosystem to build the infrastructure necessary to provide strategic help. Merchant's approach is to make equity investments as a non-controlling partner, as well as offer private financing to independent firms. In addition to capital, Merchant offers expertise and best practices including M&A/succession services, and business infrastructure and risk management solutions. They establish new, complement existing, or replace resources and services that require change, such as regulatory and compliance, CFO, business and asset transition, and operations and technology support.

Merchant also designs and provides access to both traditional and alternative investment solutions.

Constellation Wealth Capital

Constellation describes its approach as combining "a flexible capital solution and ongoing advisory services" to well-established (i.e. large AUM) wealth management firms with the capital solution allowing for "less leverage, a longer time horizon, and increased compounding." Constellation operates as a capital partner because it lacks the infrastructure to help on the ground in a strategic capacity.

Constellation considers its clients 'partners' and offers strategic, tailored advisory services leveraging its sector expertise, as well as growth initiatives including M&A, traditional marketing, and events.

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

Rise Growth Partners

Rise works with "growth oriented, middle market RIAs ($3-10B AUM) with aspirations to become the next generation of national platforms." They tout their unique role as a Synergistic Financial Partner "building national enterprise RIAs, alongside the minority stake capital necessary to get there."

Rise's approach focuses on three core areas:

- Business Management – Optimizing a business through its leadership, operating structure, and team.
- Enterprise Platform for Scale - Creating systems that can operate together: client-advisor-back office.
- Growth Strategies - Organic and inorganic.

Dynasty Financial Partners

Dynasty is a true unicorn in that we offer both strategic and capital support. We lead with technology and service, and offer capital to assist advisors in the their growth journey. Our Investment Bank works with clients on the launch of their businesses, helps facilitate inorganic growth, and ultimately designs the internal succession and/or monetization of their firms. This approach – holistically supporting RIAs through their entire lifecycle - is unique.

Dynasty provides the synthetic scale to allow RIAs to compete with many household-name securities firms, including state-of-the-art technology platforms, turnkey asset-management programs, and a host of middle and back-office support services, including compliance, marketing, practice and relationship management, CFO services, billing, and access to a range of marquee community events. Dynasty's network includes more than 60 RIA client firms, representing $105 billion of assets under administration.

In 2024, Dynasty Investment Bank advised on fifteen M&A and capital-raising deals, including cross-border public company M&A, domestic sell-side transactions, strategic recapitalizations, valuations, and capital-raising mandates.

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

M&A Market Color
Q1 Top 10 Deals Announced

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Buyer	Seller	Buyer Type	Seller AUM (billions)	Announcement Date	Transaction Rationale
Mariner Wealth Advisors	Cardinal Investment Advisors	Aggregator	292.0	1/10/25	Capabilities
LPL Financial	Commonwealth Financial Network	IBD	285.0	3/31/25	Expansion
GIC	Mercer Global Advisors	Sovereign Wealth	70.0	1/6/25	Capital
Merchant	Summit Financial	PE	20.0	1/31/25	Capital
AlTi Global	Kontora Family Office	Asset Manager	15.2	3/6/25	Expansion
Management of Snowden Lane	Snowden Lane /Estancia	Self	11.7	1/10/25	Control
Corient (CI Financial)	Geller MFO	Aggregator	10.4	1/16/25	Scale
FJ Management	Balentine	Family Office	8.0	1/14/25	Capital
SCS Financial	Edge Capital Group	Aggregator	7.0	1/16/25	Other
Rise Growth Partners	Grimes & Company	PE	5.7	2/19/25	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 January 1, 2025–March 31, 2025 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.

Q1 2025 M&A League Tables

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RIA Investment Banking M&A Deal Count		
1	Advisor Growth Strategies	3
2	Marshberry	3
3	**Dynasty Financial Partners**	**2**
4	Turkey Hill Management	2
4	Colchester Partners	2
6	Houlihan Lokey	2
7	Advice Dynamics Partners	1
8	Berkshire Global Advisors	1
8	Alaris Acquisitions	1
10	ECHELON Partners	1

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Dynasty's Investment Banking Team

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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.

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 Team

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As a financial technology and value-add wealth management platform, Dynasty Financial Partners began its capital program nearly nine 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.

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Dynasty's Investment Banking Client Referral Program

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- 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	Partners
> $75mm	Houlihan Lokey
$75mm	Duff & Phelps
$50mm	Capstone Partners
$25mm	TM Capital (Success. Realized.); 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

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

Sam Anderson

Managing Director, Co-Head of Investment Banking

Sam Anderson is Co-Head of Dynasty Investment Bank 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.

Harris Baltch

Managing Director, Co-Head of Investment Banking

Harris Baltch is Co-Head of Dynasty Investment Bank at Dynasty Financial Partners LLC. 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.

Jamie Gardiner

Director, Network 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.

Dylan Dierig
Vice President, Investment Banking

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.

Victoria Cangero
Assistant Vice President, Investment Banking

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
Assistant Vice President, Investment Banking

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.

Cyrus Ghiai-Chamlou
Analyst, Investment Banking

Cyrus Ghiai-Chamlou supports Dynasty's Investment Banking team. Prior to joining Dynasty, he worked at JCF Capital Markets, focusing on private placements in the real estate and technology sectors. Prior to that, he interned at Bardi Co, focusing on M&A in the consumer sector. Cyrus earned his B.S. in Computer Science from the University of California, Santa Barbara.

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Important Disclosures

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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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