A Record-Breaking First Half for RIA M&A

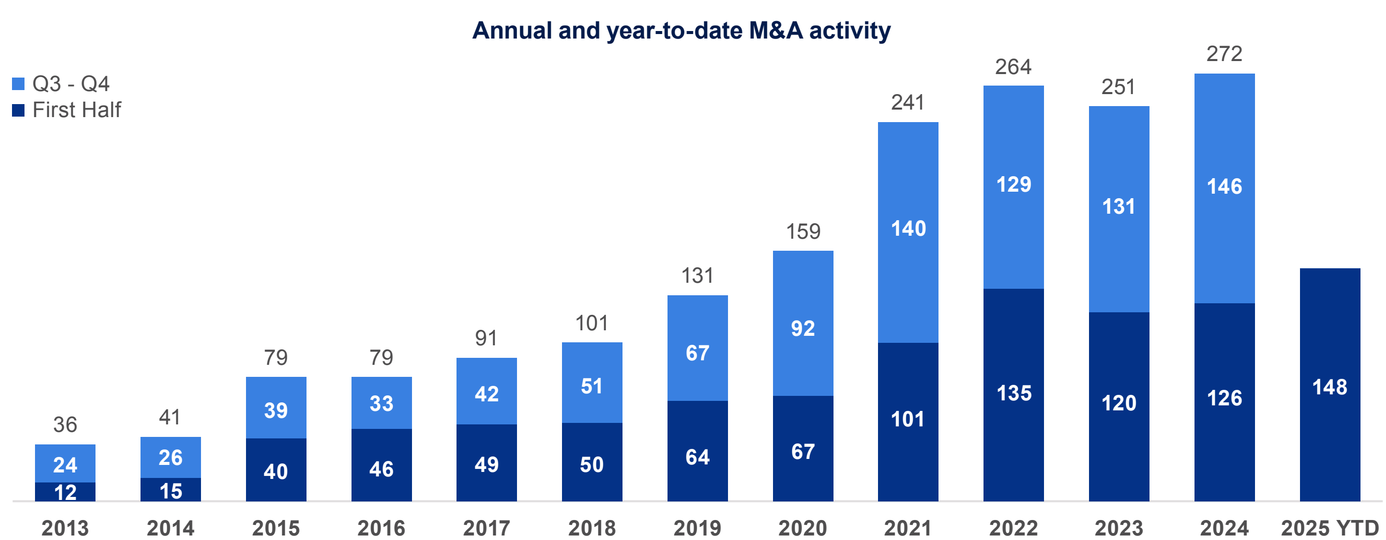
2025 Continues to Build Momentum

RIA merger and acquisition (M&A) activity is on a historic run. The first half of 2025 delivered 148 transactions, an all-time high for a January-through-June period and a 17% jump over the same period last year. The first quarter of 2025 started the year out strong, recording 75 transactions, followed by a record-setting second quarter featuring 73 transactions.

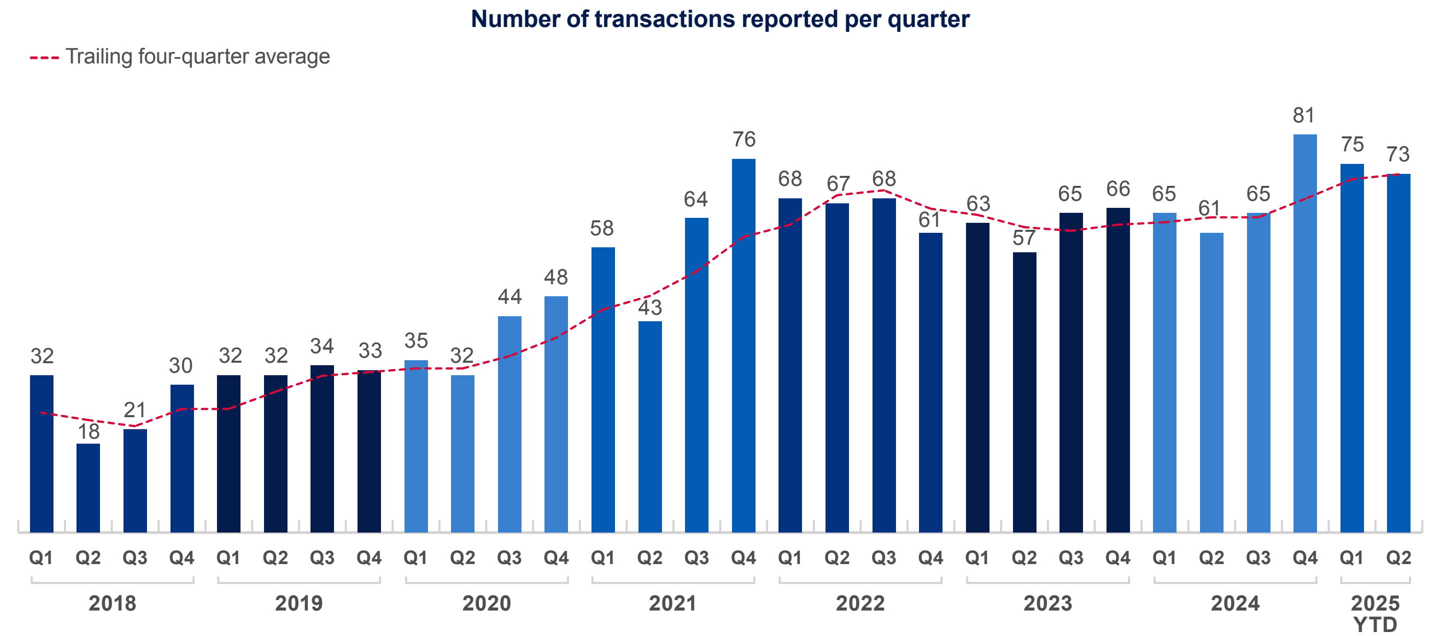
What makes this surge especially notable is the backdrop: Volatile equity markets, shifting interest rate expectations, inflationary headwinds, and extreme geopolitical events. Typically, RIA M&A activity *slows* during times like these. And for good reason: Advisors typically prioritize taking care of their clients over nearly everything else. During uncertain times like these, RIAs are working day and night to answer clients' questions and keep them apprised of how major developments may impact their wealth and future. RIAs shine during crises and turmoil, and their steadfast focus on taking care of clients consequently puts the decision to sell on the backburner, especially for small and midsized firms.

Despite this unusual degree of uncertainty and volatility in today's world, RIA M&A activity is not following the standard script. M&A levels are accelerating, not slowing down. The industry has now recorded three consecutive quarters of 70+ transactions.

First Half of 2025 Breaks Record



Quarterly Transaction Activity Surpasses Historic Highs



On the sell side, structural drivers remain influential. Succession planning challenges, emerging competitive friction, and the attractiveness of joining forces with a META-RIA continue to motivate sellers. DeVoe & Company coined the term META-RIA to describe a class of exceptionally large, fast-growing RIAs led by sophisticated leadership teams. These firms stand apart with their differentiated business models and near-unlimited access to capital.

Activity has been concentrated among larger firms. Mid-sized and large RIAs represented nearly half of all sellers in the second quarter, extending their gains from earlier in the year. The fact that these firms typically have professional management likely contributed to their acceleration over the period.

At the same time, private equity-backed *Consolidators* continued to deploy capital aggressively, accounting for more than half of all acquisitions in the second quarter. Their resurgence, driven by falling interest rates and improved debt ratios, has proven decisive.

DeVoe & Company will continue to evaluate how the broader environment may affect M&A activity going forward. With the third and fourth most active quarters on record now in the books, 2025 is on track to surpass last year's all-time high of 272 total transactions.

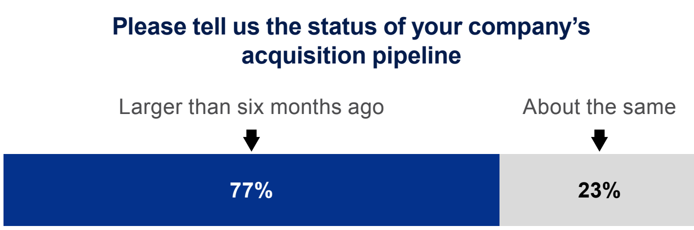
Inside the Minds of Today's *Consolidators*: Pipelines Expand, Valuations Hold, and Competition Intensifies

To gauge the current pulse of the market, DeVoe & Company surveyed the CEOs and senior executives from the industry's most active acquirers. We last polled this group in May 2023 and December 2022. The results echo what we're seeing across the industry: buyers remain confident, focused, and highly active in an increasingly competitive M&A environment.

Periods of macroeconomic uncertainty aren't slowing activity; they appear to be sharpening it. Many of the most active buyers report that challenging environments bring stronger conviction from sellers and greater alignment in partnerships. As Marty Bicknell, CEO of Mariner put it, *"Our strongest teams and most profitable deals consistently come from periods of distress."*

More than three-quarters of respondents (77%) reported their acquisition pipelines have increased since the beginning of 2025. The remaining 23% indicated their pipelines are holding steady. Not a single firm reported a decline. Private equity is encouraging these *Consolidators* to move quickly (as steady readers of the DeVoe RIA Deal Book know, 79% of the activity in the RIA space is driven directly or indirectly by private equity firms), and the leadership teams are leaning in.

Pipeline Surge Among Major Acquirers



So, what are the expectations for the bottom of the sales funnel? When asked about their projected transaction volume for the second half of 2025, 54% of respondents expect their level of acquisition activity to increase over the next six months, while 46% anticipate maintaining their current pace. Again, none of the respondents forecast a slowdown.

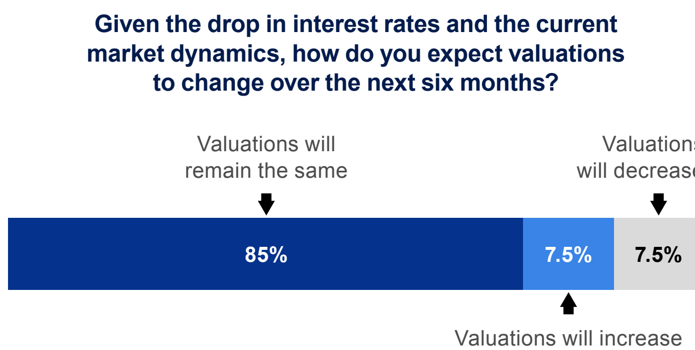
Plans for Acquisitions: Momentum Likely to Continue

There are a few potential takeaways from the datapoints so far:

- *Consolidators* expect acceleration – over half see their volume increasing
- *Consolidators* are not particularly concerned that the current backdrop will slow the wave of sellers marching toward the negotiation tables
- Some *Consolidators* believe that it is getting more competitive to win deals – and are consequently expanding their pipelines to get the same number of closed deals. That is, their pipelines are bigger (77%) but they expect a lower yield (only 54% believe that their deal volume will be higher).

A related dimension is the evolving focus on how to engage with the "right firms" to acquire. David Wahlen, vice president of strategic partnerships at Merit Financial Advisors, believes that as the industry evolves, buyers will focus more on "deciphering what is truly unique, what adds real value, and how groups will work together beyond just the deal terms and growth earnout period." This line of thinking is not only good for the buyer and the seller; it is also ultimately good for the industry.

Valuations Remain Stable



Despite declining interest rates, those surveyed reported that valuations should likely remain consistent. This development deflates the common seller aspiration that as declining interest rates reduce the cost of capital, sellers will benefit from the delta in the form of higher valuations. But, alas, the heads of the acquiring firms say that isn't the case (although smart business professionals may sometimes contemplate a variety of forms of game theory).

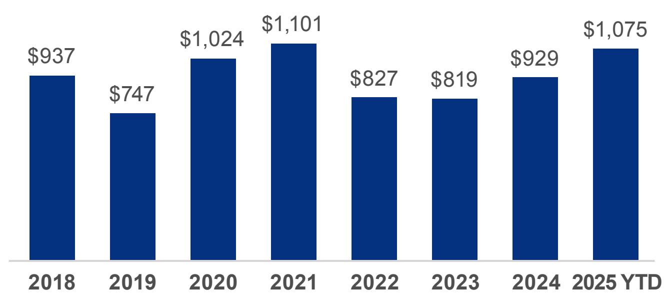
85% of these surveyed leaders expect valuations to hold steady in the near term. The remaining 15% were evenly split: half expect a slight increase, while the other half anticipate a modest decline. Competitive dynamics, seller expectations, and the continued presence of private equity capital are helping to maintain consistent pricing.

Rise of Larger Firms Reshapes the Seller Landscape

The first half of 2025 delivered record-breaking M&A activity, marked by a notable shift in the composition of sellers driving the momentum. The average assets under management (AUM) per seller has climbed 30% since 2022, surpassing the $1 billion mark and nearing the record high of 2021. This shift reflects a multi-year trend of mid-sized and large sellers driving more transaction activity, while smaller sellers gradually lose ground.

RIA M&A Surges Past $1B, Highest Level Since 2021

Average AUM of sellers
(Sellers with AUM greater than $100MM and less than $5B; in MM)



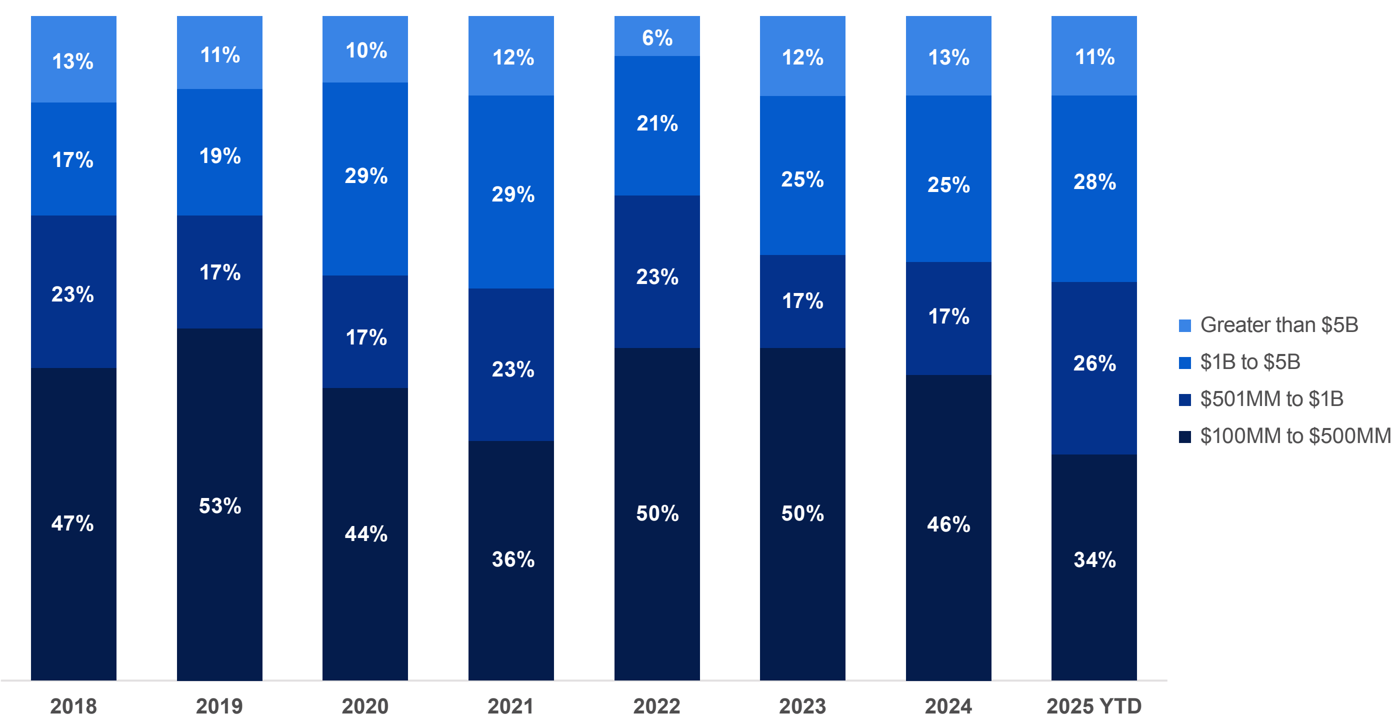
Shift Away from Small Sellers

A key trend is the continued retreat of small sellers. Firms managing between $100 million and $500 million accounted for just 34% of transactions, a new low following a steady decline from 50% in 2022. Despite this drop, they still represent the largest group by transaction count.

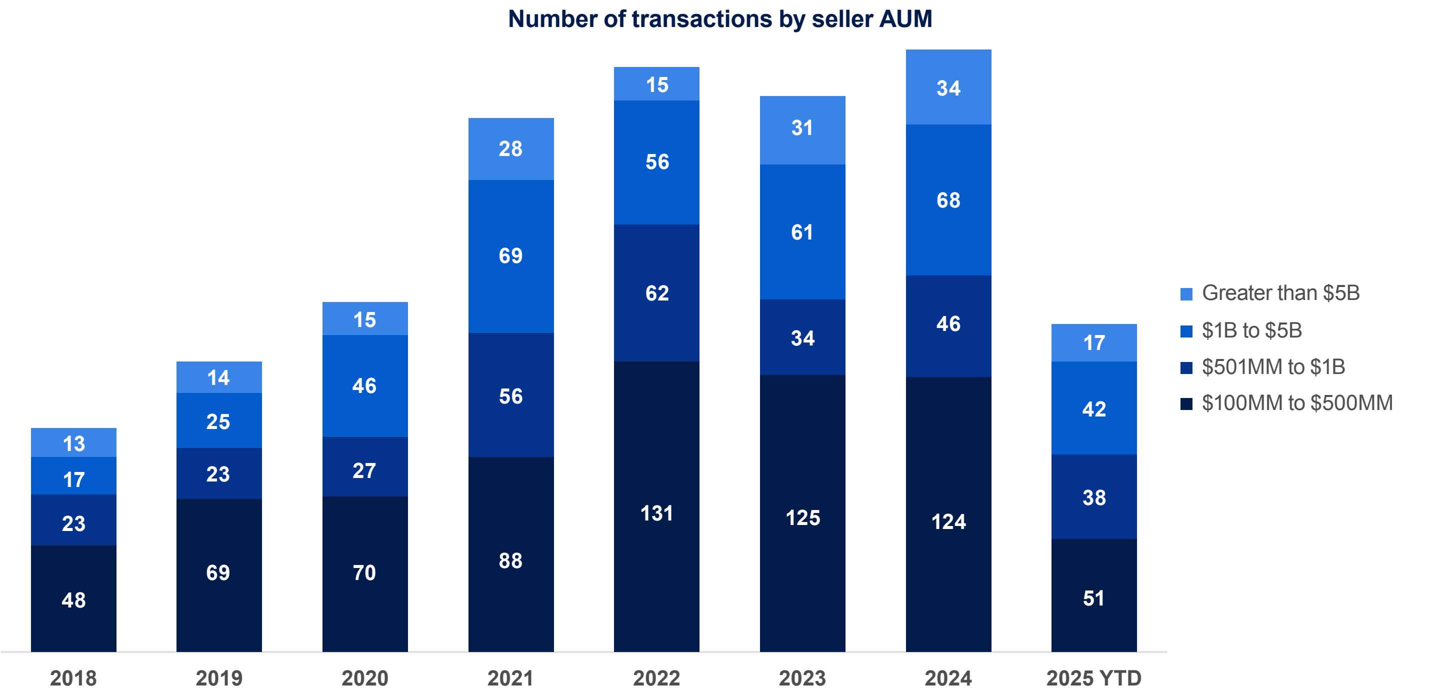
A likely contributor to the recent decline is the aforementioned macro environment. Historically, smaller RIAs tend to dial back their M&A activity most aggressively during crises and sustained periods of market volatility. This is due to their company leaders, who nearly universally still manage client relationships. Without professional management in place, these hybrid leaders of RIAs under $500MM in AUM tend to split their time between running their firms and overseeing relationships. When client needs surge – in stock market declines or periods of uncertainty, for instance – these hybrid leaders shift nearly all their energy to clients. Consequently, strategic decisions like selling the firm are deprioritized. The volatility of the last six months therefore can be assumed to have further compressed this segment of sellers, and it may continue to put downward pressure on their future transaction numbers.

Small Sellers Lose Ground as Mid-Sized Sellers Grow

Percentage of total transactions by seller AUM



Mid-Sized Sellers See Gains



Mid-Sized Sellers Regain Ground

Mid-sized sellers (firms with $501MM to $1B in AUM) are experiencing a resurgence. This segment now accounts for 26% of all transactions year-to-date, up from 17% in 2024 and well above the 14% low seen in 2023. With 38 transactions in the first half of 2025, just eight short of 2024's full-year total, this cohort is on pace for its strongest year on record.

Mid-sized sellers are especially attractive in secondary cities. An RIA with $500MM to $1B will be a leading local firm in cities that have a population of less than 500,000 people. These transactions enable buyers to gain a stronghold in markets with a single signature. A recent transaction advised by DeVoe & Company illustrates this very point. Exchange Capital Management, a Michigan-based RIA with over $830 million in AUM, joined Lido Advisors. Based in Ann Arbor, the firm has a dominant position in the community and a strong presence in a city of just over 100,000 people. Exchange Capital Management's strong planning-led model and regional presence aligned well with Lido's national platform, which now has a leadership position in an important market.

Private equity-backed *Consolidators* continue to dominate the mid-sized segment, executing 23 of the 38 deals year-to-date, just two shy of surpassing the full year total of 2024. In contrast, *RIAs* completed 12 transactions, with *Other* buyers positioned behind the remaining three.

Rise of Large Sellers Continues

Large sellers (firms managing between $1B and $5B) have emerged as a key contributor to overall transaction volume. These large sellers now account for 28% of all transactions, a level not seen since 2021 when the segment was 29% of market share with 69 transactions. In 2025, this seller group has already logged 42 transactions, putting it on pace to eclipse prior records and redefine what a "active year" looks like for large sellers.

These firms often have systemized processes and dependable operations, professional management, and a strong client base; key characteristics that are attractive to buyers. However, most have become so valuable that there is not a path for the next generation(s) of leaders to afford to buy out the founders. In many cases, the leadership team may decide that joining an enterprise-level firm is the best path forward for its clients, staff, and owners.

Mega Sellers Make a Modest Comeback

The largest firms in the market, those with more than $5B in AUM, continue to maintain a steady presence. Mega sellers accounted for 11% of transactions year-to-date, a pace consistent with recent years. As the RIA industry continues to attract more private equity, we can expect to see continued strength in this segment of the market. Entering this space through an acquisition is a tried-and-true way for private equity to become part of this group.

Consolidators Reshape the Buyer Landscape

The complexion of buyers shifted dramatically over the past three quarters. One cannot ignore that these shifts occurred immediately following the first interest rate cut in late September 2024. The impact of the cuts to date has had a profound impact on the recent tug-of-war between *Consolidators* and *RIAs* as a buyer category. And based on the survey of the heads of the META-RIAs above, a safe bet might mean that *Consolidators* maintain their majority position throughout the rest of 2025.

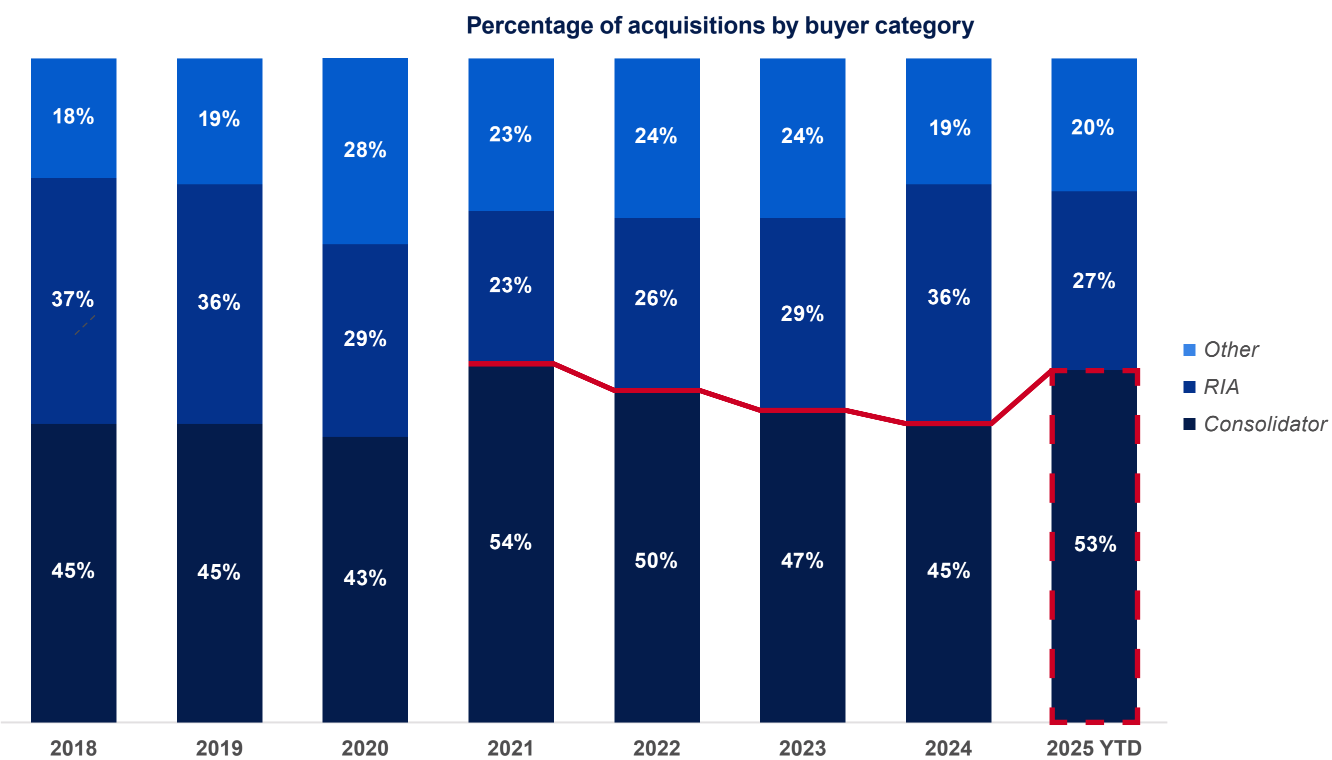
Consolidators Reclaim Control, Extending Their Lead

Consolidators—serial acquirers with M&A embedded at the core of their business models—entered 2025 with renewed momentum. In the second quarter, they accounted for 53% of all transactions, just shy of their previous peak in 2021.

It's a remarkable comeback for the buyer group. Back in 2021, *Consolidators* hit a new high, accounting for more than half of all RIA acquisitions that year. That apex of 54% steadily dropped several percentage points each year, as many *Consolidators* struggled with decisions about pushing their debt ratios in such a high-interest rate environment.

That restraint has now shifted to acceleration. Following the Federal Reserve's September 2024 rate cuts, reduced debt service costs and improved access to capital paved the way for reengagement. By the second quarter of 2025, the transaction volume gap between *Consolidators* and *RIAs* had widened to 26 percentage points, one of the largest differentials since 2021.

Consolidators Dominate Market Share



In total, *Consolidators* completed 79 transactions in the first half of the year, a 41% increase over the same period in 2024. With stronger capital positions and reinvigorated pipelines, these buyers are back in action.

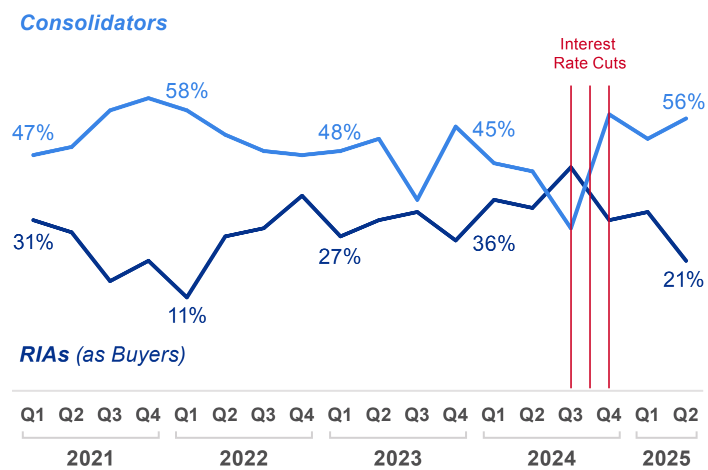
RIA Buyers: Holding Ground but Losing Share

The ramp up in *Consolidator* acquisition activity came at the expense of *RIA* buyers. While the business models of acquisitive *RIAs* continue to resonate with sellers that prioritize culture and founders with a seat at the table, their momentum as buyers has slowed.

The overall market is expanding, but *RIAs* are not keeping pace with the surge in activity from *Consolidators*. In the first half of the year, *RIA* acquirers completed 40 transactions, four less than at this point last year. Yet their market share has fallen from 36% in 2024 to 27% in the second quarter of 2025. The sharp reversal highlights how quickly *Consolidators* can change the complexion of the marketplace when they collectively take action, as well as how influential the *Consolidator* check book can be.

Interest Rate Cuts Bolster *Consolidator* Activity

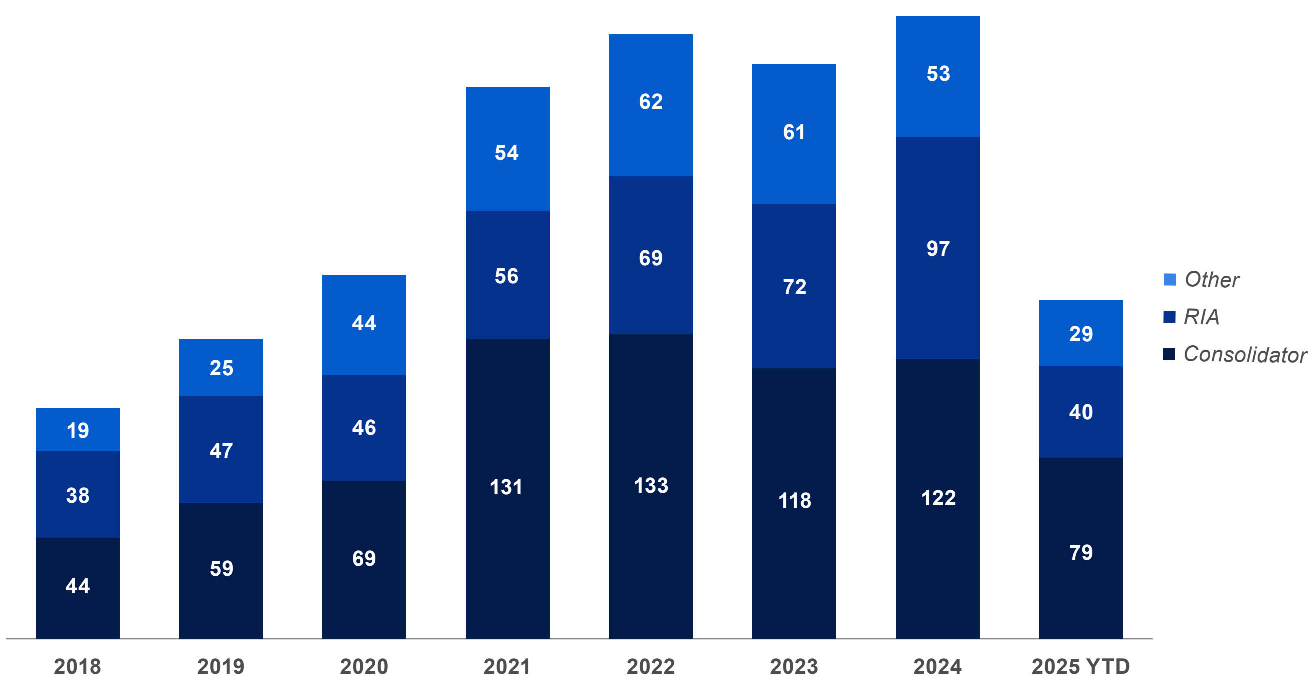
Percentage of acquisitions by buyer category



Source: DeVoe & Company Transaction Activity Database

RIAs Lose Ground

Number of acquisitions by buyer category



Other Buyers Hold Steady

The *Other* category—which includes private equity firms, banks, insurance platforms, wirehouses, and any other acquirer besides an *RIA* or *Consolidator*—accounted for 20% of transactions in the first half of 2025. While this marks a modest increase from the first quarter, the segment remains well below its 2020 peak of 28%.

Despite the compression in market share, nominal deal activity has increased meaningfully. *Other* buyers completed 29 transactions in the first half of 2025, up from 26 transactions during the same period in 2024. Even with this 12% increase in volume, their share of the market has remained flat.

Top Acquirers: Merit Pulls Ahead in a Crowded Field

The leaderboard became even more competitive in the first half of 2025, not because a few firms pulled away but because more firms are consistently making moves. Merit Financial Advisors edged into the lead with nine transactions year-to-date, followed closely by EP Wealth and Wealth Enhancement with seven each.

Focus Partners Wealth and CW Advisors (acquired by Osaic in June) remain active, each logging six deals in the first half. A broader group of buyers reported multiple acquisitions, reflecting continued momentum across a wide set of both established and emerging platforms. While many familiar names remain highly active, the crowded leaderboard reflects a gradually diversifying landscape.

Top Acquirers with Two or More Transactions

Merit Leads the Pack

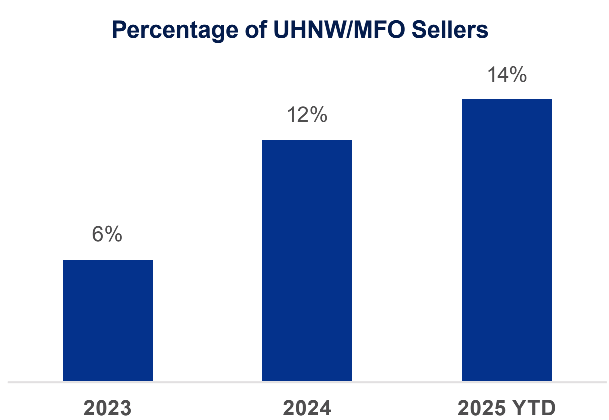
Company	Number of Transactions
Merit Financial Advisors	9
EP Wealth	7
Wealth Enhancement	7
Focus Partners Wealth	6
CW Advisors, LLC	6
Cerity Partners	5
Mariner Wealth Advisors	5
Mercer Advisors	5
Waverly Advisors, LLC	4
Bluespring Wealth	4
Creative Planning	3
Constellation Wealth Capital	3
Modern Wealth Management	3
Lido Advisors	3
MAI Capital Management	2

UHNW Sellers Gain Momentum

Ultra-high-net-worth (UHNW) firms are playing a larger role in RIA M&A activity. Thus far in 2025, UHNW sellers represent 14% of all transactions, more than doubling from just 6% in 2023. This uptick reflects growing momentum among these firms to pursue strategic opportunities that align with their values and provide access to broader service platforms.

DeVoe & Company defines UHNW firms as RIAs primarily advising families with $30 million or more in investable assets. But an additional distinction extends beyond client asset levels. UHNW firms often operate more like multi-family offices (MFO) than traditional RIAs, offering integrated capabilities that span investment management, estate planning, tax strategy, philanthropic advising, generational wealth education, and access to private investments.

UHNW Sellers Double in Activity



The dynamics driving UHNW/MFO consolidation are becoming a microcosm of the broader consolidation reshaping the wealth management industry. This segment is starting to feel the same shifts that have already taken hold across the industry.

On a macro level, roughly two dozen META-RIAs have emerged as dominant forces. DeVoe & Company coined the term META-RIA years ago to describe this category of very large, fast-growing RIAs with differentiated business models, which are led by sophisticated leadership with nearly unlimited access to capital. These enterprise-level firms are attracting RIA sellers seeking the advantages of scale. They are raising the bar for what clients can expect from an independent wealth manager, and they are shaping the industry as a whole.

It appears the UHNW space is beginning to go through a similar dynamic. Despite representing only 8% of the RIA market, their M&A activity has surged to 14% of transactions. Several major UHNW players have achieved meaningful scale and are redefining what service, infrastructure, and leadership look like in this segment. These UHNW META-RIAs—firms like Pathstone, Lido, and Cerity—are offering a broader and more sophisticated set of capabilities for the ultra-wealthy, while beginning to build distinct brand positioning in a space where personal reputation once dominated.

The UHNW RIA seller decisions are not being driven by unfounded fears or fatigue. These firms are blending scale with specialization, building deep benches of talent and infrastructure tailored for the ultra-wealthy. As a result, a growing number of mid-sized and larger UHNW RIAs are questioning whether their clients and teams are best served by staying independent—or if joining a UHNW META-RIA would help better position them for the future.

This dynamic was reflected in a recent transaction advised by DeVoe & Company. Cable Hill Partners, a $2 billion RIA based in Portland, Oregon, known for its work with UHNW individuals and institutions, joined Coldstream Wealth Management in June 2025. This combined $10B organization highlights a growing trend in the UHNW segment: firms seeking to expand capabilities through strategic alignment with broader, more integrated platforms.

We believe it is early innings for UHNW consolidation. It appears quite likely that the industry will see additional private equity flow into the UHNW segment.

Conclusion: A Record First Half, and a Market Waiting for What's Next

The first half of 2025 set a new record for transaction volume, making it the most active January-to-June period in RIA M&A activity history. Activity was widespread, propelled by the resurgence of mid-sized and large sellers and the renewed intensity of *Consolidator* demand.

Even as the pace accelerates, the path ahead remains uncertain. Markets appear steady for now, but macroeconomic and geopolitical factors such as interest rates, inflation signals, and policy developments are volatile or evolving, and could shape the second half of the year. However, DeVoe & Company has confidence that 2025 is on track to be a new record year.

RIA M&A has always tended to reward firms that are both prepared and forward-thinking, with the ability to move decisively when the right opportunity arises. In 2025, that principle appears stronger than ever, as firms navigate a dynamic environment that demands both strategic clarity and operational agility.

Our Methodology and the Focus of the RIA Deal Book™

The DeVoe RIA M&A Deal Book seeks to track and analyze the trends of RIA mergers and acquisitions. Leveraging our founder's experience tracking RIA M&A for 20 years — longer than anyone in the industry — DeVoe & Company reports on activities and analyzes the trends to bring you deeper insight.

The RIA Deal Book's purview is to focus primarily on the acquisitions and mergers of RIAs, and only on transactions of $100 million or more in AUM. We limit our tracking to $100MM+ RIAs to optimize the statistical accuracy of our reporting and seek to screen out the SEC-registered hedge funds, independent broker-dealers, mutual fund companies and other companies that aren't operating as traditional RIA firms. We also exclude the "advisors joining RIAs" category unless there are important developments.

Our goal is to provide the RIA community with the very best M&A data on the 5,000+ SEC-registered RIAs so that advisors like you can make more informed strategic decisions.

About DeVoe & Company

DeVoe & Company is a goal-based consulting firm and investment bank focused exclusively on guiding wealth management and investment management companies to a higher level of success. We provide consulting, M&A, and valuation services to help you accelerate the achievement of your business goals. Leveraging our team's 400 years of combined experience in RIA business consulting and management, we develop solutions tailored to your unique goals, needs, and situation. The wealth and investment management industries are highly dynamic and evolving at a fast pace. DeVoe & Company can help you better understand your options, determine your optimal path, and craft an implementable plan for you to capitalize onthe opportunities.

What We Do

Our mission is to help you achieve success on an accelerated basis. Our services fall into three major categories:

BUSINESS CONSULTING
M&A GUIDANCE
VALUATIONS

Who We Are

Founded and led by RIA thought-leader David DeVoe, our team has grown to over 20 professionals with 400 years of combined experience. Our consulting approach is a reflection of the team's background: An ideal balance of analytically rigorous theory and real-world experience. Our team includes a McKinsey-trained management consultant and several former CEOs/COOs of $1B to $200B *RIAs*. As a result, we are positioned like no other consulting firm to provide you advice on any strategic challenge you may face. Our breadth of experience enables us to be your complete partner.

How We Do It

DeVoe & Company executed more than 900 engagements in the last several years, supporting firms managing $100MM to over $250B in AUM.

DeVoe & Company creates transformational change for our clients through a unique, highly focused approach. Most engagements begin with our proprietary strategic planning process: StrategicContext™. During the StrategicContext™ stage we gain a detailed understanding of your business, professional, and personal goals. Through this methodical approach a strategic "North Star" for the engagement emerges. This North Star provides the management team with a consistent point of alignment for the myriad decisions throughout the process. As a result, the outcome will be deeply rooted in the company's core goals and integrated into a cohesive plan.

Our Insights

We regularly publish white papers, are quoted in financial publications, and create other thought leadership pieces that we make available on our website at www.devoeandcompany.com.

A few of our most recent articles / white papers include:

- *The Heart of the Deal: Understanding and Overcoming the Emotional Barriers of Selling Your RIA*
- *It's Time for a Human Capital Revolution*
- *DeVoe RIA M&A Outlook Study*
- *Succession Planning: Planning Your Future*
- *Putting Strategic Context Around Your Succession Plan*
- *Tailor-Made Successor*
- *True Value: Learn to Focus on the Things that Drive Up the Value of Your Practice*

Engaging DeVoe & Company
For more information or to engage our services, call us at 415.813.5066 or send an email to info@devoe-co.com.

Capital Group's commitment to the RIA industry

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We recognize the challenges facing RIAs. We stand ready to assist you with our wealth strategy solutions, benchmarking and elite engagement services.

Investment management

From due-diligence consultations to portfolio analysis to the latest market insights – we can equip you with information and solutions to help meet your clients' financial goals.

Client communications

Leverage our proprietary research on clients' attitudes and preferences. We have insights, tools and specialists to help improve your client relationships.

An online community exclusively for RIAs – RIAInsider.com

Enjoy curated insights and a community of peers and thought leaders. Access specialized tools relevant to RIAs, including advisor management platform Truelytics. And boost your brand with Marketing Lab, Capital Group's client-ready publishing tool.

A dedicated RIA team to collaborate with your practice

Contact your relationship manager or specialist directly, or call our RIA support line at (800) 421-5450.

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