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POST-CALL NOTES

EP 33

TOPIC DISCUSSION:

RIA M&A 1H26 Review and Outlook

Dakota Insights Podcast

Post-Call Notes / Episode 33

TOPIC DISCUSSION: RIA M&A 1H26 REVIEW AND OUTLOOK

EXECUTIVE SUMMARY

Dakota tracked 205 announced US RIA transactions in H1 2026, representing roughly $400.7 billion in client AUM. Deal count has settled into a remarkably stable pattern — about 100 announced deals per quarter — while dollar volume swings sharply depending on whether a single mega-deal lands in a given quarter. Consolidation is concentrated among a small group of repeat acquirers, several of whom are now themselves exploring sales, and deal structures are diversifying beyond the traditional majority buyout.

H1 2026 BY THE NUMBERS

Metric	4Q25	1Q26	2Q26	2Q26 vs 1Q26	2Q26 vs 4Q25
Transactions	83	102	103	+1%	+24%
AUM Acquired	$117B	$236B	$164.7B	-30%	+41%
Avg. Deal Size (ex-mega)	$1.1B	$1.6B	~$1.0B	-38%	-10%

Source: Dakota Marketplace

- **Deal count is the steady line:** 83, then 102, then 103 across the three quarters — consolidation is running at roughly 100 announced deals a quarter regardless of broader capital-market conditions.
- **Volatility is entirely in the dollar figure:** driven by whether a single mega-deal lands in the quarter. Q1 had one — Carlyle's majority stake in MAI Capital Management at $72.6 billion. Q2 had nothing on that scale, so AUM fell ~30% even though deal count barely moved.
- **Average deal size (ex-mega) followed the same pattern:** $1.1B (4Q25) → $1.6B (1Q26, +~60%) → ~$1.0B (2Q26) — the whole distribution shifted bigger in Q1, then reverted, confirming it wasn't just MAI Capital skewing the numbers.
- **Monthly detail:** Q1 was steady — Jan: 36 deals/$91B, Feb: 29 deals/$64B, Mar: 37 deals/$81B. Q2 was choppier — Apr: 34 deals/$85.6B, May: 38 deals (the most)/$52.9B, Jun: 31 deals/$26.2B (the slowest month of either quarter).

KEY TAKEAWAY FOR FUNDRAISERS

100 deals per quarter is the recurring floor of consolidation activity. If you're fundraising from or pitching to RIA platforms, treat this as a permanent, predictable market, not a cyclical one — the volatility sits in mega-deal timing, not deal count.

MOST ACTIVE PLATFORMS — H1 2026

Platform	Notable Targets	Deals (H1)	AUM Added
Cerity Partners	Verus Investments ($17.5B), SOL Capital ($2.98B), Austin Private Wealth ($1.4B), Edge Financial ($379M)	4	~$22.3B
Hightower Advisors	Journey Strategic Wealth ($5B), Lexington Wealth Management ($3.2B), The Bahnsen Group ($9.5B)	3	~$17.7B
Wealthspire	Axia Advisory ($1.9B), Sellwood Investment Partners ($11B), Fi3 Advisors ($1.2B)	3	~$14.1B
Corient	Vivaldi Capital Management ($5.6B), Capital Advisors ($7.8B)	2	~$13.4B
Savant Wealth	Exencial ($6B), Heritage Financial ($3.9B), Heller ($550M), APC Financial ($498M)	4	~$11.0B
Waverly Advisors	Pure Portfolios ($437M), McBride Financial ($181M), TruWealth Advisors ($3.1B), Smithfield Trust ($3B), WealthPlans/Cooley ($250M)	6	~$7.0B
CAPTRUST	Alpha Cubed ($3.8B), Meritage Portfolio ($2.4B), Suncoast Prosperity ($830M)	3	~$7.0B
Creative Planning	MASECO ($5B), Duncan & Haley ($660M)	2	~$5.7B
Beacon Pointe	Litman Gregory ($2.7B), Financial Advisors ($1.2B), MGB Wealth ($475M), Voyager ($229M), Pacifica ($220M)	5	~$4.8B

Source: Dakota Marketplace

- **Cerity Partners leads on H1 AUM:** still riding the Verus Investments deal from Q1; Hightower and Wealthspire aren't far behind.
- **Carson Group and Wealth Enhancement are the serial acquirers:** Carson ran nine deals across the half and Wealth Enhancement six, both backed by the same sponsors in both quarters (Bain Capital, and TA Associates/Onex).

MEGA-PLATFORMS BY TOTAL CLIENT ASSETS

Platform	Sponsor	Total Client Assets
CAPTRUST	GTCR / Carlyle (minority)	$1T+
Creative Planning	General Atlantic / TPG	$640B
Mariner Wealth Advisors	Leonard Green / Neuberger Berman	$632B
Focus Financial Partners	Clayton, Dubilier & Rice	~$400B
Hightower Advisors	Thomas H. Lee Partners	$354B
Edelman Financial Engines	Hellman & Friedman	~$300B
Wealthspire	Madison Dearborn Partners	$250B
Kroll Ontrack	Stone Point Capital	~$220B

Source: Dakota Marketplace

- **Scale is concentrated at the top:** CAPTRUST is in a class by itself above $1T; Creative Planning and Mariner sit in the $600B+ range; Focus, Hightower, and Edelman follow in the $300-400B range.
- **The real hunting ground is the middle market:** the $100-300B range, where both mega-platforms and smaller specialists (Waverly, Modern Wealth, Carson) are actively acquiring.

KEY TAKEAWAY FOR FUNDRAISERS

Know which tier you're targeting. Mega-platforms have centralized approval lists; middle-market platforms are still building theirs and move faster on decisions. Targeting the same manager across multiple mid-market platforms backed by the same sponsor (e.g., Waverly, Apella, and MCF under WPCG/HGGC) can yield multiple distribution channels with coordinated outreach.

THE NEXT TIER: EMERGING AGGREGATORS

Dakota tracks the top ten emerging platforms worth watching — firms in the $5-50 billion range that either changed backers recently or are still acquiring heavily. Top six by AUM:

Platform	AUM	Backing	H1 2026 Activity
Prime Capital Financial	$50.0B	Carlyle (replaced Abry Partners, Aug 2026)	180 owners across 68 offices; backer change signals manager lineup review
EP Wealth Advisors	$42.2B	Berkshire Partners & Ares Management	Highest deal volume: 8+ acquisitions; steady flow of newly onboarded teams
Waverly Advisors	$35.5B	Wealth Partners Capital Group & HGGC	Most acquisitive: 31+ deals since 2021; pursuing recapitalization (July 2026)
Merit Financial Advisors	$24.0B	Constellation Wealth Capital (replaced WPCG/HGGC, 2025)	Doubled AUM in one year via 13 acquisitions; existing manager relationships likely intact
Arax Advisory Partners	$23.2B	RedBird Capital Partners	Explicit focus on alternatives and family-office capabilities; alts distribution open
OnePoint BFG Wealth Partners	$15.0B	Rise Growth Partners (minority stake, 2024)	Minority stake keeps existing relationships; W-2 advisor shift underway

Source: Dakota Marketplace, Top 10 Emerging RIA Aggregators to Watch: 2026 Guide

- **Decentralization is the opportunity:** mega-platforms have enterprise-wide approval lists; these firms mostly don't yet, so acquired practices tend to keep their existing manager relationships. The window to reach them is now — once a platform hits $100B or gets folded into a mega-platform, that changes.

- **Approach now, not later:** getting into a platform like EP Wealth or Prime Capital before the home office locks in a formal lineup means a very different relationship than pitching them in two years, once they've consolidated around fifty approved strategists.
- **Sponsor concentration matters:** Wealth Partners Capital Group and HGGC back three platforms on this list (Waverly, Apella, MCF) — an existing relationship with one sponsor can open doors to the others.

KEY TAKEAWAY FOR FUNDRAISERS

This tier is still decentralized — the exact moment when manager relationships haven't consolidated yet. Once a platform hits $100 billion AUM or gets absorbed by a mega-platform, the playbook changes permanently. The time to establish relationships is now.

DEAL STRUCTURE EVOLUTION

Structure	How It Works	Prevalence in H1 2026
Traditional Majority Buyout	PE acquires controlling stake; founder/management exit or remain in a smaller role	Classic structure; still ~60-65% of deal volume but facing longer timelines
Minority / Non-Control Stake	PE takes a minority position; founder/management retains board seat & operational control	Growing share of Q1-Q2 deals; allows founder monetization with continuity; lower price to PE
Continuation Vehicle	Founder/management rolls significant capital back; PE provides growth capital alongside	Compressing distribution timelines; founder incentive alignment; becoming standard at $5B+ platforms
Strategic PE-to-PE Recap	Secondary buyer recaps existing PE owner; founder/management stays; primary sponsor exits	Emerging structure; more common among already platform-backed firms; reflects scarcity of available targets

Source: Dakota Marketplace, H1 2026 RIA M&A Quarterly Reports

- **Majority buyouts still lead but are slowing:** roughly 60-65% of deal volume, though facing the longest timelines. Carlyle's MAI Capital deal is a template example — majority stake, but structured so founder Roy Niederhoffer and his team kept board seats and operational control.
- **Continuation vehicles are worth watching:** founder/management rolls capital back in, PE adds growth capital alongside, keeping founder incentives aligned indefinitely rather than for one fund's life.
- **PE-to-PE recaps are just starting to appear:** a secondary buyer steps in, recaps the existing owner, and the founder stays — a response to scarcity of new targets. Still rare, but worth watching.

KEY TAKEAWAY FOR FUNDRAISERS

Majority buyouts are now one of four viable paths. Minority stakes and continuation vehicles leave existing manager relationships intact longer, giving you more time to build; traditional buyouts force faster re-underwriting. Tailor your approach to the deal structure, not just the platform.

ACTIVE & RUMORED TRANSACTIONS ANNOUNCED RECENTLY

- **Hightower Advisors:** THL retained Goldman Sachs and Ardea Partners to run a sale of a controlling stake; $353.7B AUM. Larry Restieri took over as CEO from Bob Oros last year; THL has owned the firm since 2017. Would be the largest sale seen in this space if it closes.
- **Focus Financial:** CD&R is selling a minority stake but staying on as controlling owner, with Goldman advising. Focus manages $500B across its network.
- **Waverly Advisors:** $35.5B, backed by HGGC and Wealth Partners Capital Group, looking at a recapitalization with Ardea running the process.
- **Wealth Enhancement:** Carlyle and Bain are the two remaining bidders; currently owned by TA Associates and Onex. $160B AUM; FT reports a deal could value it around $7B including debt — a sponsor-to-sponsor sale at real scale.
- **Parallel Advisors:** $11B, majority-owned by Golden Gate Capital, retained William Blair for a controlling-stake sale.
- **Summit Trail:** $22.1B, UHNW-focused, exploring a sale after losing three partners to NewEdge Wealth last year; already had preliminary conversations with strategic buyers.
- **LPL / Axial Financial Group:** LPL is in talks to acquire Axial, a $2.8B Commonwealth affiliate out of Burlington, MA.
- **Novare Capital:** Charlotte-based, actively looking to buy after Emigrant Partners took a 40% stake last year.
- **Waverly / southwestern Pennsylvania:** signaling more appetite in the region after picking up Smithfield Trust.
- **Macquarie:** reportedly looking to make minority investments in US RIAs through its Principal Finance arm— international capital entering the space.
- **Goldman Sachs:** CEO David Solomon said the firm is open to M&A in its asset and wealth management business, citing gaps in scale — a signal worth tracking.

H2 2026 FORECAST & OUTLOOK

- **Deal count:** locked in at ~100 a quarter; the real swing factor is whether another mega-deal like MAI Capital lands. With one, H2 could push the full-year total past $600B; without one, more likely in the $550-575B range. Either way, a record year.
- **Same five platforms keep leading:** Cerity, Hightower, Wealthspire, Carson, and Wealth Enhancement will continue acquiring, with a second tier of platforms likely to get more active as they see real capital available to deploy.
- **Hightower is the swing story to watch:** if the sale closes, it changes how every other founder-backed platform thinks about an exit. Focus is a different signal — CD&R staying on as controlling owner while selling a piece shows sponsors still see long-term value in these platforms even at scale.

- **Structures keep shifting:** less supply of independent platforms means fewer clean buyouts and more minority stakes, continuation vehicles, and PE-to-PE swaps — and structure determines timing on approval and how the relationship works.

BOTTOM LINE

If you're pitching platforms or thinking about distribution strategy, know what you're looking at — mega-platforms with locked-in approval lists, or mid-market acquirers still building relationships. The structure they're in changes everything.

For more insights and to explore Dakota Marketplace, visit **Dakota.com**.