

Registered Investment Advisers (RIA)

MMM DD, YYYY

Client Logo

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Executive Summary

Executive Summary

Introduction

- Individuals or firms that receive compensation for giving advice on investing in stocks, bonds, mutual funds, or exchange traded funds are investment advisers
- Total number of Registered Investment Advisers (RIAs) are expected to grow to ~39,100 at a CAGR of 5.2% by the end of 2018

SEC - Registered Investment Advisers

- In 2015, SEC - RIAs grew to 11,473 firms at a CAGR of 5.3%. Since the Dodd-Frank Act came into effect, the total number of SEC-registered investment advisers increased at a CAGR of 3.0%
- RAUM increased from \$61.7 tn in 2014 to \$66.7 tn in 2015 at 8.1%. Since 2012, aggregate RAUM reported by all SEC - RIAs increased at a CAGR of 10.5%
- SEC - RIA in 2015 reported a total of 29.7 million clients, up from 27.8 million clients in 2014

Opportunities

- Entering Niche Markets: Advisers are planning to expand in focused client segments, including female executives, divorcees, widows, and medical practitioners to drive future growth
- Retirement Planning Market: As companies and governments eliminate pensions or cut retirement benefits, more people will need help planning their future providing opportunity for RIAs to gain market share

Challenges

- Regulatory Challenges: Regulatory costs related to consumer protection, information security, conflicts of interest, and outsourcing will be a burden for advisers as regulators accelerate a transition to fiduciary standards
- Concerning Macro Investment Environment: Slowing global economy, an end of QE, weak credit growth, and increasing volatility in most markets are the major headwinds in 2016 concerning RIAs

M&A Activities

- Despite a rocky second half of the year for the equity markets, RIA transaction activity posted solid gains in 2015
- Edelman's \$800 mn sale to Hellman and TriState's recent purchase of The Killen Group have been a few notable transactions

Introduction

Introduction

Overview

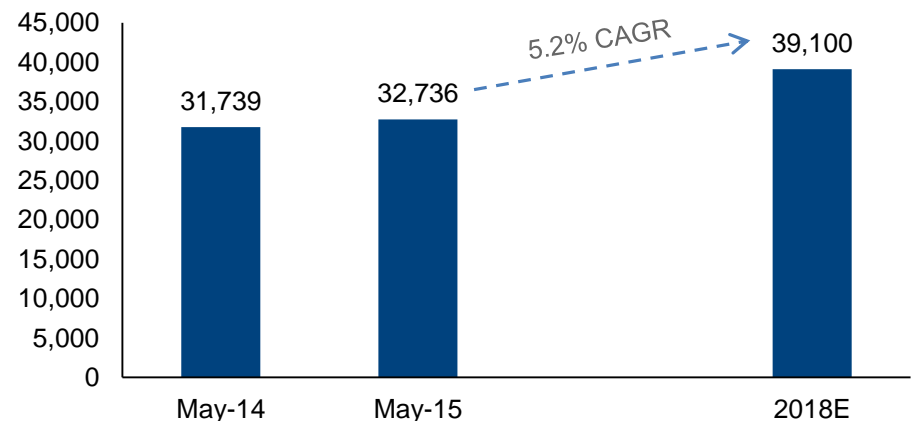
- An investment adviser is an individual or a firm that is in the business of giving advice about securities to clients. For instance, individuals or firms that give advice on investing in stocks, bonds, mutual funds, or exchange traded funds are investment advisers
- Three essential elements that characterize an investment adviser are:
 - Provides advice or analysis about securities either by making direct or indirect recommendations to clients or by providing research or opinions on securities
 - Receives compensation in any form for the advice provided
 - Engages in a regular business of providing advice about securities
- Total number of RIAs are expected to grow to ~39,100 at a CAGR of 5.2% by the end of 2018. The SEC's key regulatory priorities reflect the continued growth of the industry. As the total number of registered investment advisers has increased by 33.2% since 2005, the SEC continues to request an increase in budgetary resources to expand examinations and improve oversight

Classification of Investment Advisers

- Investment Advisers are broadly classified as:
 - Registered Investment Advisers – SEC
 - Registered Investment Advisers – State Regulating Agencies
 - Non Registered Investment Advisers

Category	SEC-RIAs	State-RIAs	Non-RIAs
AUM	More than \$100 mn	\$25 mn to \$100 mn	Less than \$25 mn
Accounts	No Limit	No Limit	15

RIA Growth



Source: Securities and Exchange Commission (SEC), Investment Advisers: What You Need to Know Before Choosing One

Source: Interactive Brokers, The first step to adviser independence

Source: RIA in a Box, The number of RIA firms ranked by state, 2015 / William Blair, Proprietary RIA Survey, 2015

SEC - Registered Investment Advisers

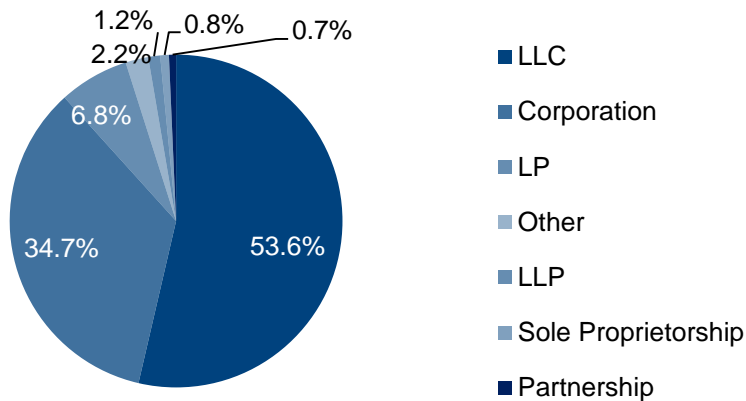
SEC - Registered Investment Advisers

Overview

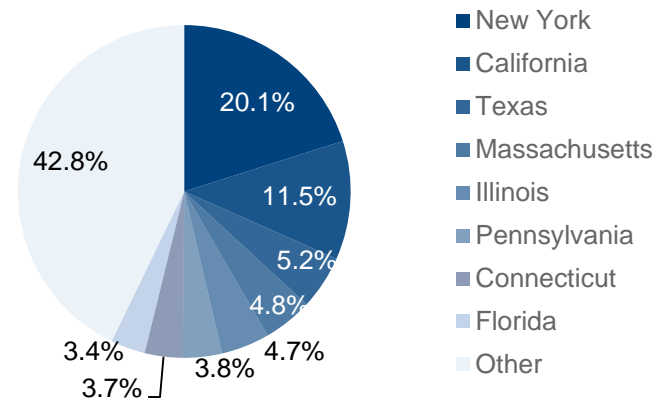
Overview

- Registered Investment Advisers (RIAs) are required by the SEC or most states to register or become licensed
 - The Dodd-Frank Act required states' authorities to oversee advisers with AUM < \$100 mn instead of SEC regulation
 - Advisers whose "principal office of place of business" is in a state without an investment adviser regulator must also register with SEC
- SEC – Registered Investment Advisers are registered with the SEC through "Form ADV" which broadly has two parts
 - Part 1: Contains information about the adviser's business, business, the people who own or control the advisor, and whether the advisor or certain of its personnel have been sanctioned for violating the securities laws or other laws
 - Part 2: Requires investment advisers to prepare narrative brochures containing information such as the types of advisory services offered, the adviser's fee schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel of the adviser
- Corporations and LLCs form the major chunk of the SEC - RIAs and this trend has historically remained constant

Form of Organization



Number of firms by Headquarter Location



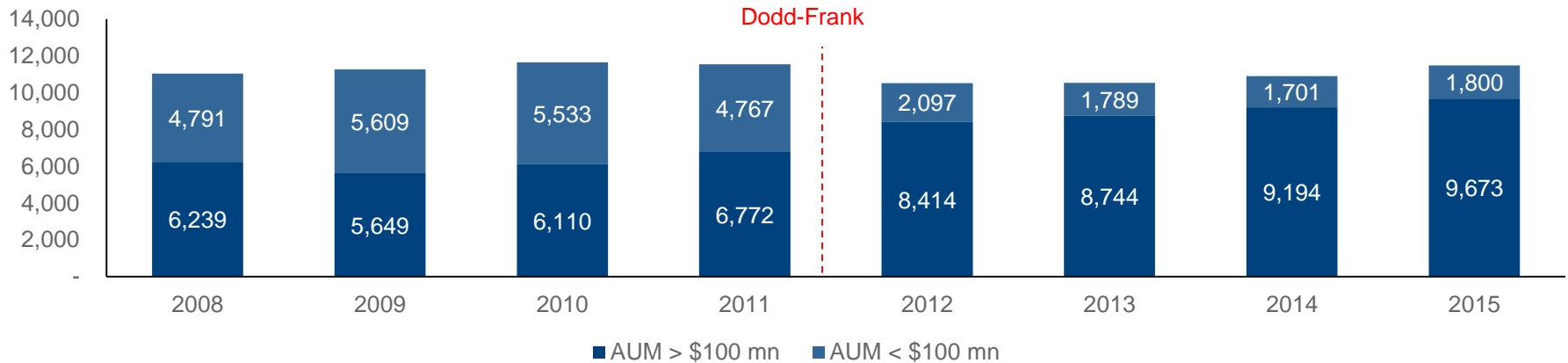
SEC - Registered Investment Advisers

Investment Advisers

Overview

- Dramatic shift in the type of investment advisers registered on SEC post the Dodd-Frank Act came into effect
- In 2015, SEC - RIAs grew to 11,473 firms at a healthy 5.3%, the largest increase in four years. Since the Dodd-Frank Act came into effect (June 2012), the total number of SEC-registered investment advisers increased at a CAGR of 3.0%
- When the Dodd-Frank Act was signed into law in 2010, it delegated to states the oversight of investment advisers with less than \$100 million of Regulated AUM (RAUM), while at the same time requiring additional private fund advisers to register with the SEC. This caused a dramatic shift in the number of smaller advisers registered with the SEC and a decline in the total number of SEC-registered advisers
- The number of larger advisers continues its steady growth over the past decade, with the exception of a modest decline following the 2008 financial crisis

Number of Advisers



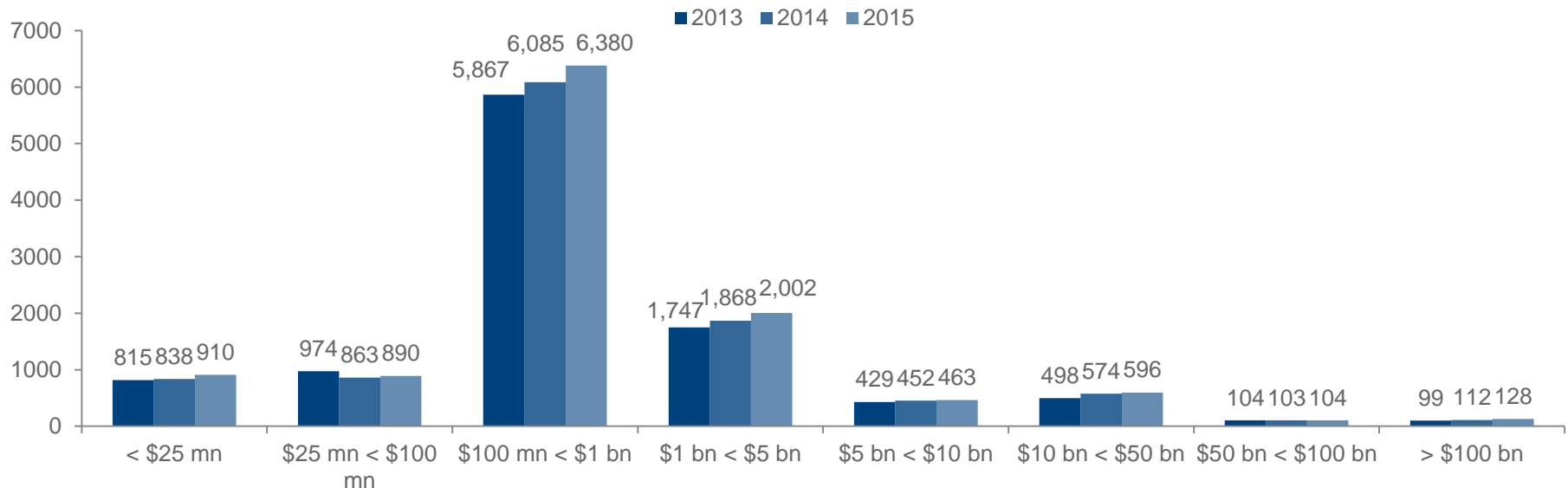
SEC - Registered Investment Advisers

Investment Advisers

Advisers as per Category

- Strong economic and market performance in recent years has led to growth in assets. Demographic shifts and increase in individual saving for retirement also contribute to greater assets under management
- More than half of all SEC-registered advisers have RAUM between \$100 million and \$1 billion. This category also contributed more than half of the net growth, with 295 additional firms this year
- The greatest percentage growth came among the largest firms, those with RAUM of over \$100 billion. That category added 16 advisers, a 14.3% increase over 2014

Number of Advisers as per Category



SEC - Registered Investment Advisers

Regulatory Assets Under Management

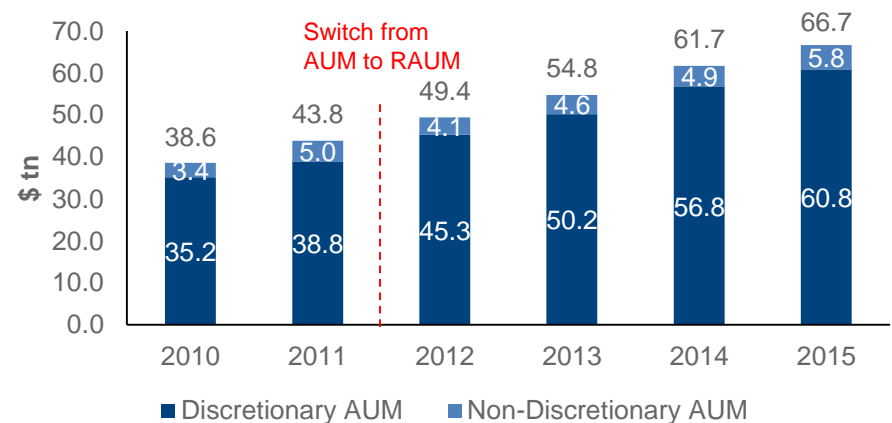
Introduction

- RAUM is defined as the value of those securities portfolios for which the adviser provides continuous and regular supervisory or management services. In the updated Form ADV, disclosure of the RAUM is required and determines the extent to which new regulations apply to the RIA
- RAUM requires managers to report assets managed without deduction of any offsetting liabilities. It represent a manager's gross assets under management, rather than net assets under management
- It is intended to capture a firm's overall participation in the market, not necessarily the amount that it manages on behalf of clients
- Industry's aggregate RAUM overstates actual RAUM because more than one investment adviser can claim the same assets. The figure also includes assets in addition to those actually currently invested for clients. For example, RAUM includes uncalled capital commitments, proprietary assets, cash and cash equivalents

Trend

- RAUM increased from \$61.7 tn in 2014 to \$66.7 tn in 2015 at 8.1%. Since 2012, aggregate RAUM reported by all SEC – RIAs increased at a CAGR of 10.5%
- Growth in RAUM is in part a reflection of strong market performance. Advisers use many diverse strategies in managing client accounts including popular equity market alternatives and non-correlated strategies, as well as diversification through non-equity instruments and hedging techniques
- As a result, a significant portion of managed assets are in assets such as government securities and other fixed obligations or hard assets

Total Regulatory AUM



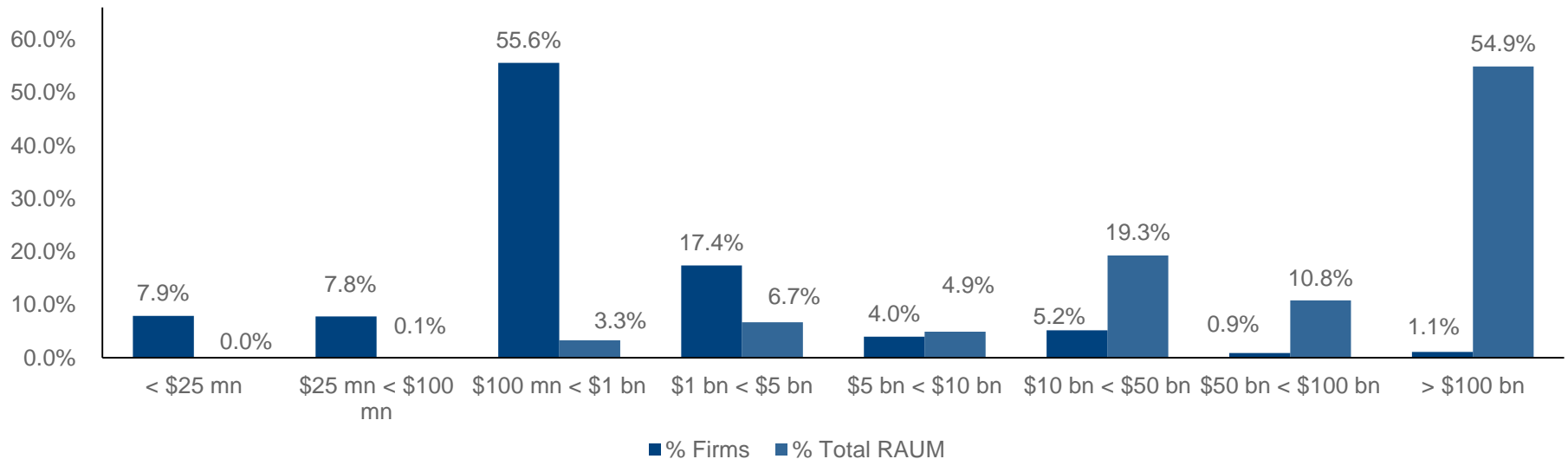
SEC - Registered Investment Advisers

Industry Concentration

Overview

- A relatively small number of very large advisers manage a high percentage of total RAUM
- In 2015, 128 advisers reported managing \$100 billion in RAUM or more. Despite accounting for only 1.1% of SEC-registered advisers, these 128 firms collectively managed more than half (54.9%) of all reported RAUM, a net 2.3% increase from last year
- On the other end of the spectrum, 71.3% of all advisers managed less than \$1 billion RAUM, and they collectively managed only 3.3% of all reported RAUM

Based on RAUM Category



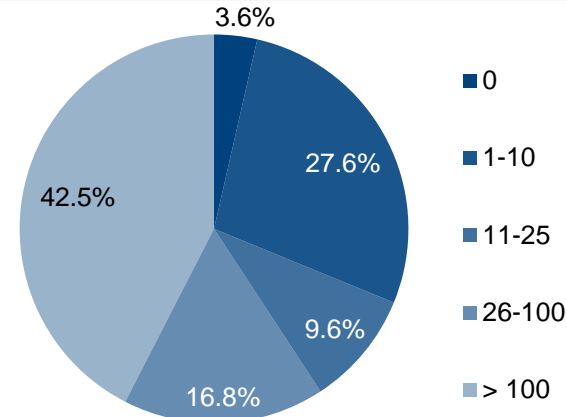
SEC - Registered Investment Advisers

Clients

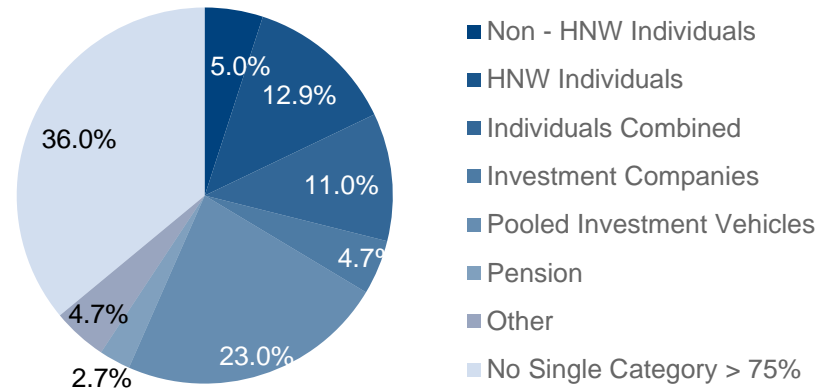
Overview

- SEC-registered advisers in 2015 reported a total of 29.7 million clients, up from 27.8 million clients in 2014. This increase of 6.8% underscores the continuing health and growth of the profession
- 42.5% of advisers report having more than 100 clients. The median number of clients reported by registered advisers in 2015 is between 26 and 100
- Individual (both HNW and Non-HNW) clients remain most important to many advisers and continue to comprise the largest type of clients
- SEC - RIAs have not been able to appeal a lot of foreign clients as only 37.3% of the firms reportedly cater to clients outside US. Only 12.8% of the firms derive more than 50% of their AUM from foreign clients
- Many advisers have pension clients as well. In 2015, nearly half of all investment advisers (47.1%) reported that at least one client has a pension or profit sharing plan
- Two thirds of all advisers derive more than 75% of their RAUM from a single type of client
- In 2015, more than half of the firms reported having Individual clients and 29% reported to have derived 75% of their AUM from them

Number of Clients of RIAs



Concentration by Type of Adviser Clientele



64.0% of advisers derive more than 75% of their RAUM from a single type of client

SEC - Registered Investment Advisers

Types of Clients by Percentage of Clientele

Type of Client	Percentage of Clientele							Total Reporting > 0	Percent of All Advisers	Percent over 75%	Number over 75%
	None	Up to 10%	11-25%	26-50%	51-75%	76-99%	100%				
Individuals (other than high net worth individuals)	5,556	1,019	885	1,313	1,393	1,247	60	5,917	51.6%	11.4%	1,307
High net worth individuals	4,645	1,272	1,305	1,732	1,272	1,132	115	6,828	59.5%	10.9%	1,247
Banking or thrift institutions	10,709	604	74	29	14	14	29	764	6.7%	0.4%	43
Investment Companies (including mutual funds)	9,610	967	254	162	70	86	324	1,863	16.2%	3.6%	410
Business Development Companies	11,358	56	11	9	3	2	34	115	1.0%	0.3%	36
Pooled investment vehicles (other than investment companies)	6,805	1,074	333	443	356	454	2,008	4,668	40.7%	21.5%	2,462
Pension and profit sharing plans (but not the plan participants)	6,072	3,851	726	397	176	149	102	5,401	47.1%	2.2%	251
Charitable Organizations	6,922	4,019	381	108	20	15	8	4,551	39.7%	0.2%	23
Corporations or other businesses not listed above	6,673	3,961	539	184	53	22	41	4,800	41.8%	0.5%	63
State or municipal government entities	10,118	973	198	99	28	28	29	1,355	11.8%	0.5%	57
Other Investment Advisers	10,421	708	152	82	27	26	57	1,052	9.2%	0.7%	83
Insurance Companies	10,459	811	103	56	14	15	15	1,014	8.8%	0.3%	30
Other	9,400	664	202	132	53	42	59	1,152	10.0%	0.9%	101
									Total :	53.3%	6,113

- Number of advisers with percentage of clientele as per client type
- Example: 51.6% of RIA's have at least one individual client, of which 11.4% derive more than 75% of their RAUM from them

SEC - Registered Investment Advisers

Custody

Overview

- Custody by RIA means holding client funds or securities, directly or indirectly, or having the authority to obtain possession of them
- SEC-registered investment advisers who have custody of their clients' funds or securities must safeguard those funds as required by the SEC's custody rule. The custody rule is designed to provide additional safeguards for investors against the possibility of theft or misappropriation by investment advisers who are registered with the SEC
- The custody rule imposes a number of requirements on RIAs to protect client funds and securities over which the adviser has custody:
 - Use of "qualified custodians" to hold client assets
 - Notices to clients detailing how their assets are being held
 - Account statements for clients detailing their holdings
 - Undergo an annual surprise exam by an independent public accountant
 - Additional protections when a related qualified custodian is used

Custody of Clients Assets

Category	2013		2014		2015	
	No. of Advisers	% of Advisers	No. of Advisers	% of Advisers	No. of Advisers	% of Advisers
Adviser has custody of client cash/bank accounts	3,157	30.0%	3,396	31.2%	3,666	32.0%
Adviser has custody of securities	3,103	29.5%	3,337	30.6%	3,610	31.5%
Related person(s) has custody of client cash/bank accounts	3,013	28.6%	3,171	29.1%	3,321	28.9%
Related person(s) has custody of securities	2,967	28.2%	3,118	28.6%	3,290	28.7%
Adviser and/or related person(s) has custody of advisory client assets (answered yes to any of the above)	4,530	43.0%	4,703	43.2%	4,954	43.2%

Growth Opportunities

Growth Opportunities

Demographic Shift

- Advisers must reach the next generation of investors, most of which comprise of children of boomers, who are expected to inherit significant assets
- Current average client age of ~58 years is declining rapidly
- Annual female earnings growth of 8.1% v/s male earnings growth of 5.8% should encourage advisers to engage this group as potential clients

Retirement Planning Market

- As companies and governments eliminate pensions or cut retirement benefits, more people will need help planning their future
- U.S. Department of Labor mandates greater fee transparency and fiduciary standards for pension plan advisers – a positive for RIAs who already have robust fiduciary standards
- RIAs have the opportunity to gain market share from the historically dominant insurance firms

Investment in Technology and CRM

- Advisers believe technology investments are critical in managing and driving growth
- Technological tools like performance reporting, portfolio accounting, CRM will improve client reach
- As per TD Ameritrade's survey, 56% of the RIAs are investing in technology to drive efficiency
- Advisers have identified cyber security as the top technology priority followed by CRM and Client facing tools like websites, portals and social media

Entering Niche Markets

- According to the survey, nearly half of the RIAs see growth in niche markets and are increasing their marketing / advertising spends
- Advisers are planning to expand in focused client segments, including female executives, divorcees, widows, and medical practitioners to drive future growth

Challenges

Challenges

Concerning Macro Investment Environment

- Slowing global economy, an end of QE, weak credit growth, and increasing volatility in most of the markets are the major headwinds in 2016
- As per TD Ameritrade's survey, 27% of the RIAs are concerned with the macro environment in 2016
- Advisers will have to develop sophisticated research and modelling capabilities to support diverse scenarios and design investment strategies that would perform well in a deflationary environment

Regulatory Challenges

- Regulatory environment has changed rapidly since 2008 and its burden on investment advisers and their clients has become more complex
- Regulatory costs related to consumer protection, information security, conflicts of interest and outsourcing will be a burden for advisers as regulators accelerate a transition to fiduciary standards
- As per TD Ameritrade survey, 11% of RIAs indicate regulatory costs as an ongoing concern in 2016

Aging Advisers

- Adviser population is rapidly aging with 48% elder than 55 years of which ~1/3rd will retire by 2025
- Total firms and their AUM is expected to increase rapidly and the industry needs to recruit ~240,000 advisers to maintain current service levels – a challenge given the persistently low graduation rates
- As per TD Ameritrade's survey, 9% of RIAs consider succession planning as an industry concern, also only 17% (v/s 39% in 2014) say that there are no formal plans for planning in place

Changing Behavioral traits

- \$58.1 trillion of wealth is expected to be transferred in the period of 2007-2061. Historically wealth transfers from one generation to the next have resulted in 90% of heirs changing advisers
- Catering to new generation's behavioural traits of conducting own research, taking control of owns' wealth and believing in the wisdom of peers rather than authors will be a significant challenge
- Next Gen investors would rely more on robo advising and demand more on-the-go digital information

Major Players

Major Players

Sr. No.	Company	Location	AUM (\$ bn)	Client Accounts	Employees	Advisers
1	Oxford Financial Group	Carmel, Ind.	13.82	7,069	130	30
2	Shepherd Kaplan	Boston	10.27	2,287	50	24
3	Brownson, Rehmus & Foxworth	Chicago	10.13	536	56	48
4	Ronald Blue	Roswell, Ga.	8.27	17,675	275	157
5	Athena Capital Advisors	Lincoln, Mass.	5.96	460	47	29
6	Ballentine Partners	Waltham, Mass.	5.24	2,866	53	48
7	East End Advisors	New York	4.94	22	15	7
8	CV Advisors	Aventura, Fla.	4.76	102	26	7
9	Savant Capital Management	Rockford, Ill.	4.40	3,703	117	48
10	Douglas C. Lane	New York	4.38	4,149	32	8
11	Ferguson Wellman Capital Management	Portland, Ore.	4.21	2,292	43	20
12	Halbert Hargrove	Long Beach, Calif.	4.11	3,258	38	32
13	Seven Post Investment Office	San Francisco	4.00	332	13	11
14	W.E. Family Offices	Miami	3.97	71	38	22
15	Homrich Berg	Atlanta	3.94	5,384	71	48

Major Players

Oxford Financial Group



Overview

- Oxford Financial Group, Ltd. is an Indiana-based investment management firm
- The firm primarily services individuals, pension and profit sharing plans, families and their trusts, businesses, high net worth individuals, retirement plans, foundations, and endowments
- Oxford Financial Group was founded in 1981 and is based in Carmel, Indiana

Services

- Investment Advisery Services
- The Trust Company of Oxford:
 - Serves as a partner to plan and execute the strategies employed to protect and pass on wealth
- Family Office Services:
 - Serves in diverse areas such as taxation and insurance, estate planning, philanthropy and asset protection
- Institutional Consulting Services

Shepherd Kaplan



SHEPHERD KAPLAN LLC

Overview

- Shepherd Kaplan LLC is an independent Investment Advisery firm
- It provides consulting, educational and investment management services to institutional and private investors
- The company was founded in 1998 and is based in Boston, MA

Services

- Institutional Consulting:
 - Assists corporate and institutional clients in managing fiduciary responsibilities, and providing them resources to oversee portfolio design, investment research, investment monitoring, and cost control issues
- Private Wealth Management:
 - Focused on the elements such as asset location and allocation, market efficiency, costs, and taxation

Major Players

Brownson, Rehmus & Foxworth

BROWNSON, REHMUS & FOXWORTH, INC.
Investment and Financial Advisors

Overview

- Brownson, Rehmus & Foxworth, Inc. (BRF) offers financial and investment advisory services to families and individuals
- It provides asset allocation; investment vehicle selection; business buying and selling; trusts and foundations creation; and other advisory services
- It was founded in 1969 and is based in Chicago, Illinois with additional offices in Menlo Park, California and Tarrytown, New York

Services

- Investment Advice
- Integrated, Comprehensive Planning:
 - Process that addresses all issues relating to clients' financial affairs, including: Clarification and prioritization of objectives, Investment strategy, asset allocation and manager selection, Income and estate taxes, etc.
- Coordination of Other Providers:
 - Cost-effectively coordinate and collaborate with other experts, and we introduce new specialists where appropriate

Ronald Blue & Co.

RonaldBlue&Co.[®]

Overview

- Ronald Blue & Co., LLC provides wealth management services for clients in US
- It offers financial planning, investment management, institutional, and custom services. The company serves individuals, institutions, professional athletes, and families of significant wealth
- Ronald Blue & Co., LLC was founded in 1979 and is based in Roswell, Georgia

Services

- Financial Planning
 - Retirement, Philanthropic Counsel, Tax, and Estate and Trust
- Investment Management
- Institutional Services
 - Business Consulting, Institutional Investment, Retirement Plan Consulting and Employee Financial Planning Advisory Services
- Custom Services

Major Players

Athena Capital Advisors



Overview

- Athena Capital Advisors Inc. provides portfolio management solutions to institutions and individual investors
- The company's products include Thinking Investments, an online investment monitoring, analysis, planning, and portfolio construction system. It also offers investment management, risk management, strategy development, due diligence, litigation services
- Athena Capital Advisors was founded in 1993 and is based in Bedford, Massachusetts

Services

- Investment Advisery & Management
- Investment Administration & Reporting
- External Chief Investment Officer & Investment Consulting
- Estate & Wealth Planning

Ballentine Partners



Overview

- Ballentine Partners, LLC is an employee owned investment manager providing personal financial planning, wealth management, and investment advisory services
- The firm provides its services to individuals, high net worth entrepreneurs, business owners,, pooled investment vehicles, pension and profit sharing plans, charitable organizations, trusts and estates, and corporations
- It was founded in 1984 and is based in Waltham, Massachusetts

Services

- Investment Strategy and Implementation
- Estate Planning
- Property, Real Estate, and Household Management
- Philanthropy
- Cash Flow
- Tax and Risk Management
- Family Dynamics

M&A Activities

M&A Activities

Overview

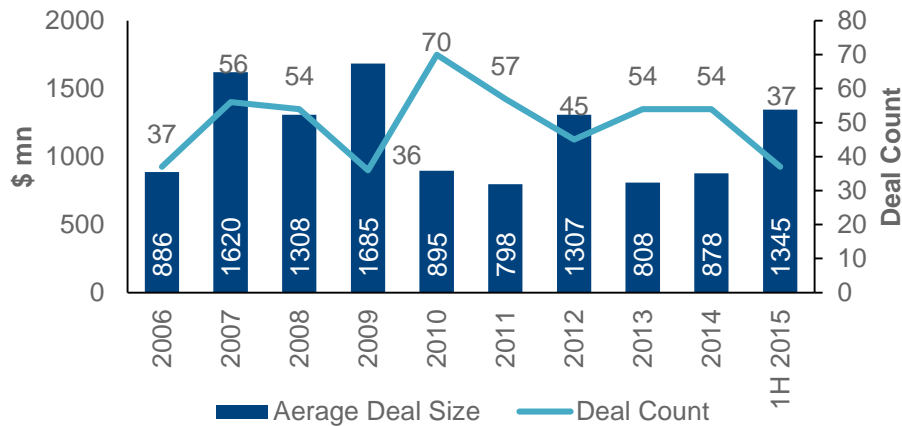
Introduction

- Despite a rocky second half of the year for the equity markets, RIA transaction activity posted solid gains in 2015
- Sector has shown an uptick in deals after a muted period of 2010 – 2013 in the face of declining management fees and impending regulatory changes
- Edelman's \$800 mn sale to Hellman and TriState's recent purchase of The Killen Group have been a few notable transactions

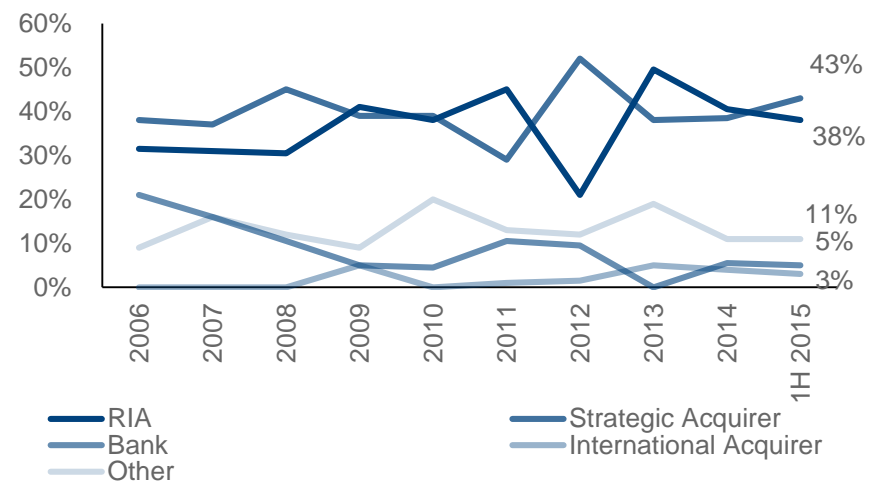
Outlook

- Backlog of available deals remains fairly robust given the four year pause in transactions
- Aging demographics of many investment management firms will also provide an environment conducive to overall consolidation
- A threat to deal making would be a longer, more pronounced downturn or continued volatility in markets
- A possible downturn could seriously crater AUM levels and investor confidence

M&A Deal size and Deal Count⁽¹⁾



M&A Transactions by Buyer Type



Source: Mercer Capital, Article - Asset Manager Deal making Up in 2015 on Lower Volume, 2016

Source: Schwab Advisor Services, Strategic Business Development, 2015

(1) Data reflects transactions involving primarily high net worth and endowment focused RIAs with assets under management exceeding \$50 million

M&A Activities

Recent M&A Deals

Announced Date	Target Name	Acquirer Name	Target Company Description
December, 2015	The Killen Group	TriState Capital	The Killen Group, Inc. is a provider of investment advisory services to individuals, corporations and non-profit organizations
October, 2015	Edelman Financial Services LLC	Hellman & Friedman LLC	Edelman Financial, one of the largest advisory firms in the U.S. by number of assets managed, provides financial-planning and investment services to more than 28,000 clients
May, 2015	Deckert Financial Management Inc.	VisionQuest Wealth Management LLC	Deckert Financial Management, Inc. is a registered investment advisory firm located in North Chesterfield, Virginia
April, 2014	Durbin Financial Advisors Inc.	Pinnacle Advisory Group Inc.	Durbin Financial Advisors, Inc. is a financial planning and wealth management firm serving the mass-affluent and high net-worth individuals and families. They provide clients with investment management, portfolio advisory and performance measurement services
February, 2014	Concentric Capital LLC	Telemus Capital Partners LLC	Concentric Capital LLC is a Los Angeles-based registered investment advisory firm
July, 2013	Ward Financial Advisors Ltd	Anchor Investment Management LLC	Ward Financial Advisors, Ltd. was founded by Wade F. (Gerry) Ward, Jr., CFP, in 1987 as a comprehensive financial planning and investment management firm, based out of 1925 Gadsden St, Columbia, South Carolina, United States
July, 2013	c5 Wealth Management LLC	United Capital Financial Advisers LLC	c5 Wealth Management, LLC was an independent registered investment advisory firm specializing in multi-generational financial planning & institutional investment management. The firm assisted executives, entrepreneurs, educators and retirees in accumulating, preserving and distributing wealth
February, 2013	Access Partners LLC	FolioDynamix Inc.	Access Partners was founded in 1999 and is a premier fee-based investment management firm specializing in Trust investment management and operations
January, 2013	Optimum Growth Advisors LLC	Atlanta Capital Group Inc.	Optimum Growth Advisors, LLC is an employee owned investment manager. The firm primarily provides its services to high net worth individuals. It was founded in 1996 and is based in North Merrick, New York
November, 2012	The Clifton Group Investment Management Co	Eaton Vance Corp	The Clifton Group Investment Management Co specializes in providing futures- and options-based overlay services and custom risk management solutions to institutional investors
November, 2012	Mt Eden Investment Advisors LLC	Evercore Partners Inc.	Mt. Eden Investment Advisors, LLC is an employee owned investment manager. The firm provides its services to high net worth individuals and families. It was founded in 2004 and is based in San Francisco, California
November, 2012	Luminous Capital LLC	First Republic Bank	Luminous Capital, LLC is an employee owned investment manager. The firm also provides financial planning and consulting services, such as estate planning and educational planning services, to its clients

Source: Bloomberg

Appendix

Appendix A

SEC - RIA Compensation

Overview

- Advisers may be compensated in a number of ways, but asset-based fees continue to dominate in the investment advisory profession
- 95.0% of advisers report that they are compensated based on a percentage of their clients' RAUM

Investment Adviser Compensation

Category of IA Compensation	2013		2014		2015	
	No. of Advisers	% of Advisers	No. of Advisers	% of Advisers	No. of Advisers	% of Advisers
Percentage of Client's AUM	10,011	95.0%	10,332	94.8%	10,902	95.0%
Hourly Charges	2,933	27.8%	3,057	28.1%	3,224	28.1%
Subscription Fees	124	1.2%	119	1.1%	116	1.0%
Fixed Fees	4,374	41.5%	4,521	41.5%	4,765	41.5%
Commissions	570	5.4%	546	5.0%	531	4.6%
Performance Based Fees	4,095	38.9%	4,200	38.5%	4,415	38.5%
Other	1,450	13.8%	1,559	14.3%	1,667	14.5%

Appendix B

SEC - RIA Employees

Overview

- In 2015, SEC-registered advisers added 31,157 additional jobs to a reported total of 750,795 non-clerical employees, a 4.3% increase in employment from 2014
- Of these employees, 376,509 provide investment advisory services (including research)
- Advisers collectively reported 359,862 employees who are also registered representatives of a broker-dealer
- The number of employees in these categories increased by 4.6% and 1.3%, respectively, and in addition, the percentage of advisers that reported no registered representative (8,048) remained relatively flat from 70.3% in 2014 to 70.1% in 2015

Investment Adviser Non-Clerical Employees

Number of Employees	Number of Advisers		
	2013	2014	2015
1 to 5	3,620	3,680	3,855
6 to 10	2,465	2,536	2,721
11 to 50	3,211	3,365	3,513
51 to 200	922	986	1,033
251 to 500	131	146	162
501 to 1,000	87	85	93
More than 1,000	97	97	96

	Number of Employees		
	2013	2014	2015
Total	707,097	719,638	750,795
Average	67	66	65
Median	8	9	8

Appendix C

SEC - RIA Types of Clients by Percentage of RAUM

Type of Client	Percentage of RAUM					Total Reporting > 0	Percent of All Advisers	Percent over 75%
	None	Up to 25%	Up to 50%	Up to 75%	>75%			
Individuals (other than high net worth individuals)	5,673	3,224	1,169	835	572	5,800	50.6%	5.0%
High net worth individuals	4,778	2,282	1,389	1,540	1,484	6,695	58.4%	12.9%
Banking or thrift institutions	10,793	548	49	27	56	680	5.9%	0.5%
Investment Companies (including mutual funds)	9,702	793	257	179	542	1,771	15.4%	4.7%
Business Development Companies	11,370	48	9	2	44	103	0.9%	0.4%
Pooled investment vehicles (other than investment companies)	6,853	1,292	375	341	2,612	4,620	40.3%	22.8%
Pension and profit sharing plans (but not the plan participants)	6,294	4,183	463	222	311	5,179	45.1%	2.7%
Charitable Organizations	7,045	4,221	135	42	30	4,428	38.6%	0.3%
Corporations or other businesses not listed above	6,910	4,184	199	74	106	4,563	39.8%	0.9%
State or municipal government entities	10,205	988	139	64	77	1,268	11.1%	0.7%
Other Investment Advisers	10,573	683	88	47	82	900	7.8%	0.7%
Insurance Companies	10,530	792	68	34	49	943	8.2%	0.4%
Other	9,511	783	124	66	115	1,088	9.5%	1.0%
							Total:	53.0%

Appendix D

I-Bankers

I- Banker	Target	Acquirer
UBS	Edelman Financial Services LLC	Hellman & Friedman LLC
Evercore Partners	Edelman Financial Services LLC	Hellman & Friedman LLC
Goldman Sachs	Artio Global Investors Inc	Aberdeen Asset Management PLC
Keefe Bruyette	Luminous Capital LLC	First Republic Bank
Silver Lane	Luminous Capital LLC	First Republic Bank
Selig Capital	Mt Eden Investment Advisors LLC	Evercore Partners Inc
Freeman & Co	Forward Management LLC	Salient Partners LP

Appendix E

Conferences

Name of the Conference	Date	Location
IMCA 2016 Annual Conference	17 th Apr – 20 th Apr, 2016	Orlando, FL
NAPFA Conferences Spring Conference	17 st May – 20 th May, 2016	Pheonix, AZ
Strategic Investment	24 th May – 27 th May, 2016	Dallas, TX
Pershing Insite	7 th June – 9 th June, 2016	Orlando, FL
Morningstar Investment Conference	13 th July – 15 th July, 2016	Chicago, IL
NAPFA Conferences Fall Conference	12 th Oct – 15 th Oct, 2016	Arlington, VA
Schwab Impact 2016	24 th Oct – 27 th Oct, 2016	San Diego, CA