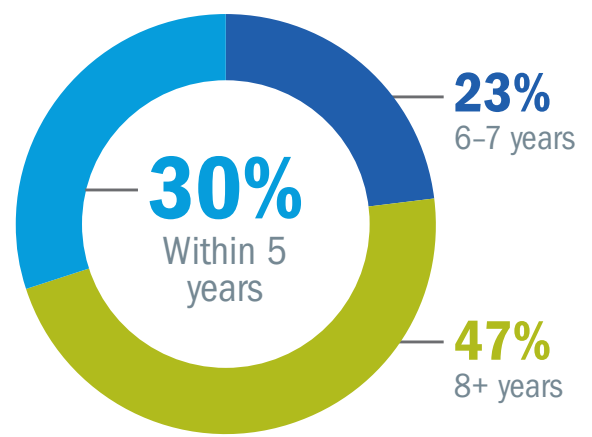


# SETTING THE PACE IN THE INDUSTRY

## THE POWER OF ORGANIC GROWTH

More than 1,000 firms, representing nearly a half trillion dollars in assets, took part in the 2013 study. Results show strong growth for RIAs, with the median firm ending 2012 with \$572 million in assets under management (AUM) and \$3.4 million in revenues—increases of 13.3% and 7.1%, respectively. But some firms are growing much faster than others, realizing a 25% increase in AUM. These fastest-growing firms saw five times the net organic growth—the change in assets from existing clients, new clients, and assets lost to client attrition—than all other firms at the median. This driver is the one over which advisors have the most control.

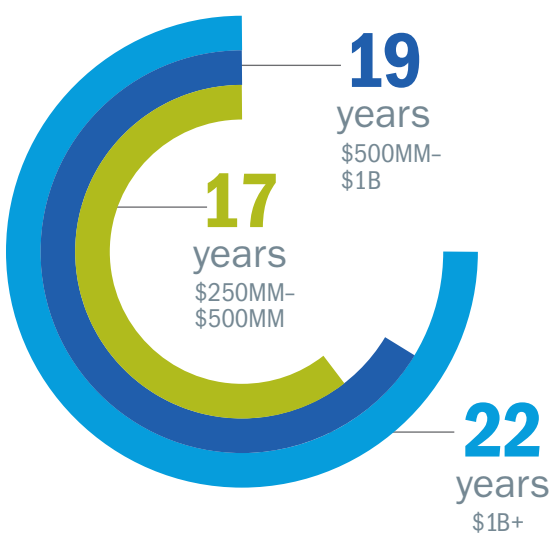
## Many firms are on track to DOUBLE IN SIZE within 5 years



Percentage of firms projected to double in size by the end of 2014 based on a historical 3-year (2010–2012) AUM compound annual growth rate (CAGR) of 15% or greater for all firms \$100 million or more in AUM.

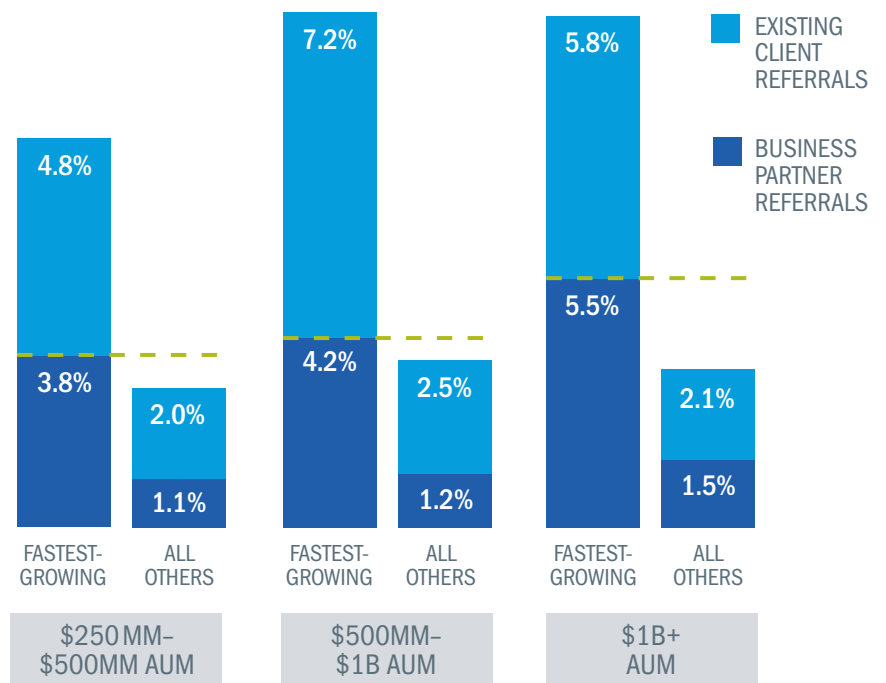
## Size is NOT A FUNCTION OF A FIRM'S AGE

Median results by peer group (AUM)



## Fastest-growing firms REPORT MORE REFERRALS

Net asset flows from new clients, sourced by referrals

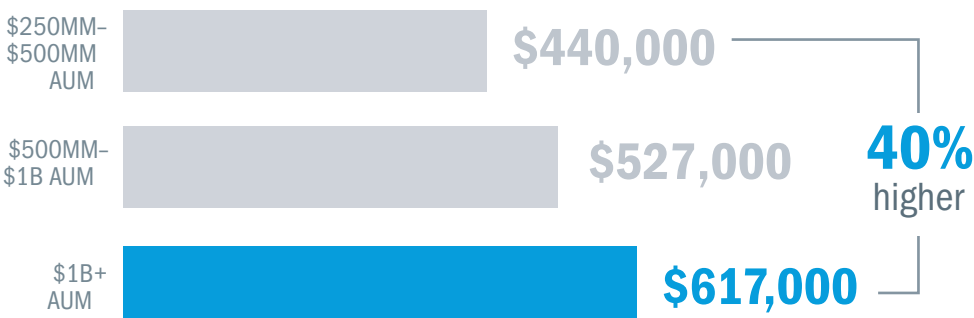


## BENEFITS OF SCALE

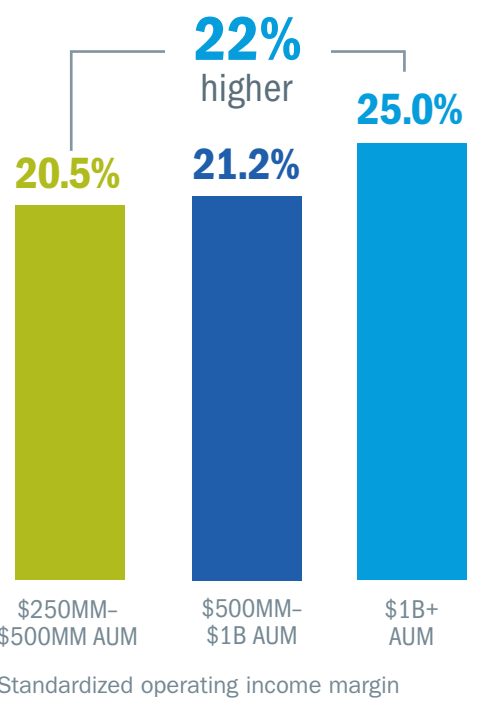
### Larger firms experience improved results

#### Productivity

Revenue per professional



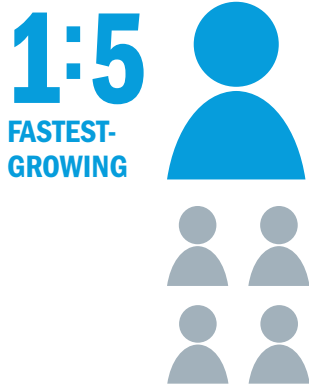
### Larger firms have HIGHER PROFIT MARGINS



## PURSUIT OF GROWTH—firms seeking to acquire another RIA

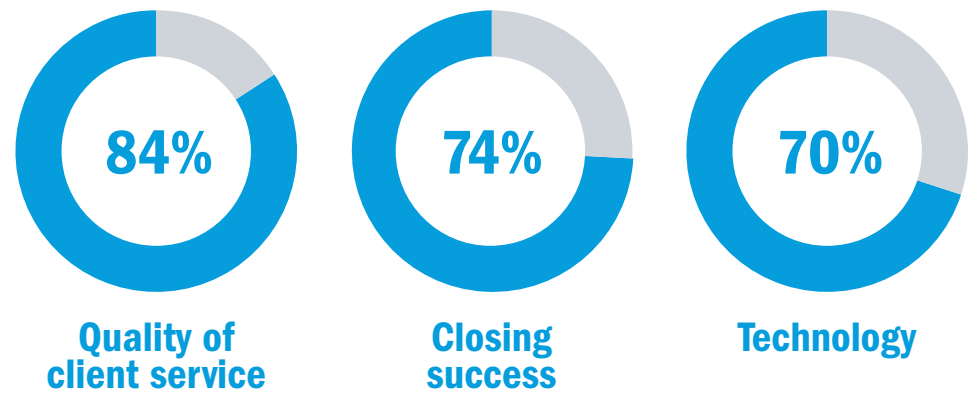


The fastest-growing firms are less likely to pursue non-organic growth opportunities.

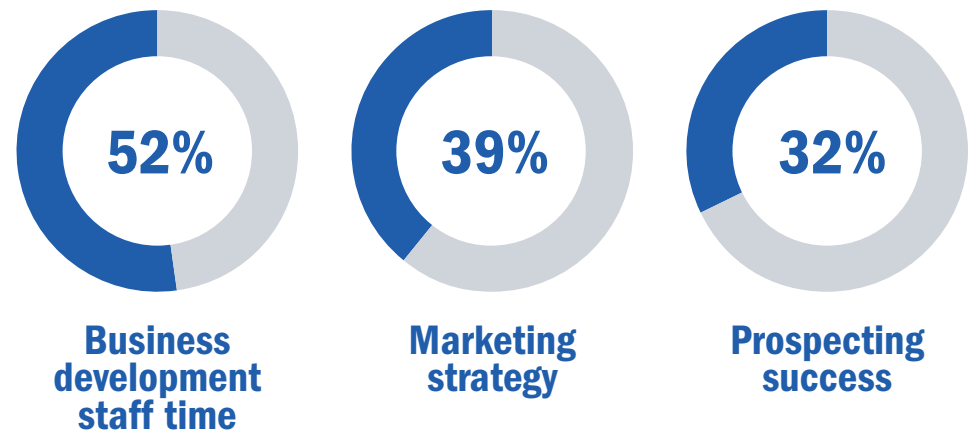


## GROWTH ENABLERS AND CHALLENGES

### Top growth enablers



### Top growth challenges



Percentages reported by all firms in the study managing at least \$100 million in assets.

Meant for institutional audiences.

Schwab designed this study to capture insights in the RIA industry, based on survey responses from individual firms. The 2013 study provides information on topics such as asset and revenue growth, sources of new clients, products and pricing, staffing, marketing, technology, and financial performance.

Since the inception of the study in 2006, more than 2,500 firms have participated, with many repeat participants. A total of 1,025 advisory firms representing nearly a trillion dollars in AUM that custody their assets with Schwab participated this year, making this the leading study in the RIA industry.

The RIA Benchmarking Study comprises self-reported data from advisory firms that custody their assets with Schwab. Participant firms represent various sizes and business models. They are categorized into 12 peer groups—6 wealth manager groups and 6 money manager groups, by AUM size.

The fastest-growing firms are the top 20% of firms as determined by 2012 net organic growth. This cohort includes 90 firms out of 451, all of which have \$250 million or more in AUM. Firms with \$250 million or more in AUM represent 90% of the total assets of all firms in the study. Net organic growth—the change in assets from existing clients, new clients, and assets lost to client attrition—is the area over which RIAs have most control. Thus, it is the growth metric used for the analysis.

For informational purposes only. All stats in this infographic are based on Schwab's 2013 RIA Benchmarking Study unless otherwise noted.