

RBC U.S. WEALTH MANAGEMENT AIMS TO BE SECOND TO NONE IN SECOND CITY



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One of the largest financial services in the world is upping the ante in Chicago. Earlier this year, RBC U.S. Wealth Management, part of Toronto-based RBC, hired industry veteran Justin Ferdula to head up its Chicago Complex operations. Ferdula is responsible for five branches, including one in Indianapolis, and more than 60 financial advisors – figures he says will be growing in the near future. A newcomer to Chicago, Ferdula joined RBC Wealth Management from Morgan Stanley, where he led the firm's Rockefeller Center branch in New York. Crain's Custom Media recently sat down with Ferdula to get his thoughts on Chicago, changing client expectations in the wealth management industry and the recent growth and momentum at RBC Wealth Management.

You recently joined RBC Wealth Management. Why did you make that switch?

RBC Wealth Management is one of the most exciting growth stories in the wealth management industry today. It's a company that's always been known for strength, stability and putting clients first, and that's a great foundation. But over the last year, leaders at the firm have done a lot of work to build on that foundation, namely by investing in the tools and resources financial advisors need to better serve clients. Those investments have caught the attention of people across the country who are looking to join a company with that sort of energy, momentum and commitment. I guess you could say I am one of them! So far the experience has been fantastic and as I continue to learn about the culture of RBC, it just gets better and better.

What is the primary focus of RBC Wealth Management in Chicago?

Chicago is a dynamic and competitive market. Pretty much every major financial services company has a presence here. It's admittedly hard to stand out. But that's exactly what we aim to do by recruiting the very best advisors the market has to offer as well as bringing in new talent, either from other industries or from other markets. I moved to Chicago from New York because I believe so strongly that RBC Wealth Management has the ability to serve clients in this market more holistically, thoughtfully and better than any of our peers. Clients and advisors alike are really looking for a wealth management firm that isn't offering the same Wall Street experience that this industry was built on. I spent many years on Wall Street. I know what that playbook looks like. I know firsthand that the experience at RBC Wealth Management is very different. It's truly focused on the client. I think the fact that we are a Canadian-based company with our U.S. operations headquartered in the Midwest (Minneapolis, to be exact), makes this firm a great fit not only for clients who want to feel like they are really known, valued and understood, but for advisors who are passionate about the business and really want to help people achieve their dreams.

What makes Chicago such an important market?

Chicago is the third largest city in America. It's also the largest city in the Midwest. Chicago, and more broadly the state of Illinois, have a very strong private sector. Illinois is home to the fourth most Fortune 500 companies in the U.S. and a larger number of them are here in Chicago. Many of these companies are over a century old, which means there are generations of Chicagoans who have worked at these companies, built up their retirement nest egg and are at a phase in their lives where they need to manage those funds through their retirement, gift some to charity or begin to plan for transferring that wealth to the next generation. That's where a firm like RBC Wealth Management comes in.

How have the expectations of individual clients and advisors changed over the past 5 years? 10?

Expectations have changed drastically. In the age of Amazon and Google, clients want a more enriching, connected experience

online. That means 24/7 access to their advisor no matter where they or their advisor may be at the time. They also expect advisors to have greater insight into their portfolio, their plan and their goals. As a result of these changes, companies in our industry and beyond are scrambling to keep up with those expectations and namely by being the first to market with the latest technology tools.

How are you addressing these rapidly changing expectations?

We want to meet client expectations, so we are certainly investing in tools that give them more seamless access to advisors and a better experience online. However, unlike some other firms in the business, we aren't making those investments at the expense of our advisor force. We believe that no matter how powerful the technology tool, an advisor's relationship with their client is the strongest platform for a solid, long-term financial plan. So the investments we're making in technology are all with an eye toward further strengthening the advisor-client relationship.

It's also important to point out that even though we aren't a large wirehouse we have the ability to lean on RBC's balance sheet for major tech investments. That allows us to compete on a much bigger scale. Another benefit of being part of RBC, one of the largest financial services companies in the world, is that in addition to our own investments in technology, we are leveraging the investments made across the enterprise, whether they're from RBC in Toronto, RBC Capital Markets or from City National Bank here in the U.S.

What percentage of your work is digital and what percentage requires human touch?

Every firm seems to have a different idea of what the perfect blend of digital vs. human advice looks like. At RBC Wealth Management, it's not about ratios. It's about building a platform that is most responsive to client needs and best able to help those clients achieve their goals. Technology is certainly an important component of that platform, which is why we are investing heavily there, but we aren't disintermediating the advisor from the equation. Technology enables better access to information and can generate the numbers behind a plan. But without human interaction, it's just numbers and graphs on a piece of paper or on a computer screen. At the end of the day, it's

all about relationships and people. And that's why, at RBC Wealth Management, advisors are the foundation of our platform.

How can digital tools make the advisor/client relationship even more collaborative and personalized?

The ability to interact with sophisticated, unique, intelligent clients and colleagues on a regular basis is why I love this business. If I think back to my days as an advisor, I would always ask new or prospective clients a series of questions: What do you think a financial advisor does? What would you like a financial advisor to do for you? What do you want your investments and financial plan to do for you? What do you hope to gain from our relationship over the next five, 10, 15, 20 years? The right digital tools can help advisors get deeper into the answers to these questions and go beyond making basic investment recommendations and begin to truly understand their clients' personality, family and business dynamics and, ultimately – their life goals.

Is there a specific tool you use to understand each client's life goals and to explain how their investments can help them achieve those goals?

Earlier this year, we launched RBC WealthPlan, powered by MoneyGuidePro. It's a digital tool that gives clients and their financial advisors a wealth of information about the client's present and future financial possibilities. Using RBC WealthPlan, advisors can better understand a client's current financial situation, identify their life goals and determine what steps the client can take to meet them. Plus, it offers clients the ability to weigh certain decisions and determine what is best for them and their family. In short, the tool enables the advisor to provide clarity on where a client is today and build confidence for tomorrow.

Goals-based advice? What does that mean?

Those are industry buzz words, I know. But basically goals-based advice means helping clients get to where they want to be at multiple stages of their life using many tools in the toolbox. That's pretty

different from the age-old practice of focusing on investments simply to build a large retirement nest egg. It's about putting a client's hopes and dreams in the center of what we do and then figuring out together how to get there.

us.rbcwealthmanagement.com/chicago

About RBC Wealth Management – U.S.
In the United States, RBC Wealth Management operates as a division of RBC Capital Markets, LLC. Founded in 1909, RBC Capital Markets, LLC is a member of the New York Stock Exchange, the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation, and other major securities exchanges. RBC Wealth Management has \$310 billion in total client assets with approximately 1,800 financial advisors operating in 200 locations in 40 states.

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Wealth Management

The best returns are more than financial

At RBC Wealth Management, we manage your wealth in a way that reflects your unique values and aspirations. As a client, you will work with a company with deep resources, a reputation for putting the interests of clients ahead of our own and a passion for helping transform the lives of the people we serve. Because we believe as you do, that the greatest returns are realized when you **grow more than wealth.**

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