

# THE RACINE-MARCOTTE ADVISORY GROUP RBC DOMINION SECURITIES



Montreal, QC

Established: 1998

Number of employees: 5

Target clients: Business owners, retirees and professionals with minimum assets of \$500,000

AUM: \$205 million

The partnership between Nathalie Racine and Philippe Marcotte began in 1998, and The Racine-Marcotte Advisory Group's dedication to providing clients with expert portfolio management and investment strategies has meant steady growth since then. In 2016, the group has looked across the border to the US, which has proved fruitful for it and its clients.

Part of RBC Dominion Securities, the team has the resources of Canada's largest bank behind it, which means Racine-Marcotte can

offer services that many of its peers cannot.

"We are putting a lot of effort into our enhanced individual pension plans," Racine says. "We are pretty much the only firm that has this product. It is offered to professionals that have recently incorporated and allows them to put money aside the same way as with one of the big pension plans. We are very excited about building business with this service because it's very different and very innovative."

When the two partners first discussed forming their own advisory team under the RBC umbrella back in the late '90s, they agreed the group's success would be dictated by its approach to business. This meant showing dedication to the finer points of wealth management, rather than simply offering clients easy access to a huge list of products.

"We wanted to be portfolio managers as

opposed to mutual fund salespeople, so we concentrate on individual pension plans for professionals and corporates," Marcotte says.

Like many of this year's top teams, Racine and Marcotte are wholehearted believers in CRM2; in fact, they are perhaps the most bullish on why a fee-based system is the only way to go for advisory firms in Canada.

"Not only do we welcome it, we have been pushing for this for 22 years now," Racine says. "We have always worked in a fee-based fashion, where all our fees are transparent. We are so happy this is happening – finally, a lot of people are waking up and smelling the roses."

## **WP: Has your asset allocation changed much in 2016 compared to previous years?**

**Nathalie Racine:** We are looking at 12% to 13% growth in net new assets year-to-year. Our average asset allocation is 45% fixed income and 55% stocks. We are more than 45% in US currency and US exposure, so that's where we made money this year, not on the Canadian side.

## **WP: What do you find are the main differences when it comes to your US and Canada strategies?**

**NR:** We have a strategic portfolio committee process. Before, that was only offered to our institutional investors, but now thanks to computers, we can offer it to our regular clients. It has a quantitative and qualitative approach – we concentrate a lot more on equity-income stocks in Canada because the value in Canada is in dividends. In the US, it is another animal altogether, so we concentrate there for growth.