

EXECUTIVE INSIGHTS

FINANCIAL INSTITUTIONS DIVISION



Busey Headquarters, Champaign, Illinois

Busey Wealth Management – Integrating trust and investment services makes for a perfect match

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When you ask the residents of Champaign, Illinois, if they know of Busey, most, if not all, will respond: "Of course we do." Busey Bank first opened its doors in 1868 and has been serving its communities ever since. Seeking to offer Busey customers even more, Ed Sharlau, the bank's current vice chairman, decided in 1985 that it was time to introduce financial planning and investment services. With the help of Curt Anderson, current executive vice president and senior managing director of Busey Wealth Management,

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RAYMOND JAMES®

Busey Wealth Management – Integrating trust and investment services makes for a perfect match *(continued from page 1)*

the first Illinois-based broker/dealer was created.

Like many startups, Busey Investment Services had a few growing pains as the years progressed and often found they were competing against the bank's own trust officers. With so little coordination between the trust side and the investment services side, the need for change became clear.

INTEGRATING THE TRUST AND INVESTMENT SERVICES TEAMS

In 1999, not only were the trust and investment services teams brought under the same management, they were physically moved into the same offices. While this fundamental change made a significant difference and helped each side to better focus on clients and their needs, the two groups continued

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It's really about Busey and Raymond James working together. We became true partners – in fact, it's a three-way partnership between Busey Wealth Management, Busey Investment Services and Raymond James. All with a common philosophy.

~Curt Anderson, Executive Vice President and Senior Managing Director, Busey Wealth Management

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to operate like separate businesses – one fee-based and the other commission-based. In 2007, Busey Investment Services made an important strategic move to partner with the Raymond James Financial Institutions Division (FID), one that would finally help them achieve the true integration they'd been working toward.

SIGNATURE SOLUTIONS

After partnering with Raymond James, Busey Investment Services worked with the firm to hone its product offering in efforts to improve the client experience. In 2010, Busey Investment Services introduced an all fee-based Signature Solutions portfolio managed by Busey's investment team. With respect to working with Raymond James, Anderson says, “Raymond James was fantastic

BY THE NUMBERS



SKIN IN THE GAME

20% of American workers today have health insurance that has an annual deductible of at least \$2,000. (source: Kaiser Family Foundation)

GOLDEN STATE

If the state of California was a country, its \$2.2 trillion economy would rank as the eighth largest in the world, ahead of Russia, Italy, India, Canada, Australia and Spain. (source: World Bank)

in helping us facilitate the development of Signature Solutions and the ongoing growth of our business.” Since introducing Signature Solutions, the team’s average revenue per client relationship has nearly tripled.

The Signature Solutions mutual fund model was designed with the Busey client in mind – an investment strategy built to outperform the market at a lower risk profile. Not only were the Busey clients attracted to the new product offering, but it also simplified the Busey portfolio strategy. As a result, the Busey organization understood and embraced the product and were compelled to refer clients. Bob Ballsrud, executive vice president and executive managing director of Busey Wealth Management, notes, “With both teams under one roof and a new product offering that

made sense to the organization and our clients, we essentially created a unified message both internally and externally that allowed the business to grow.” As of December 31, 2014, Busey Wealth Management had grown to more than \$5.2 billion in assets under care.

While the Busey Wealth Management team wasn’t part of the early days of Busey Bank, they know that the bank’s history, reputation and brand are a big draw for clients. Anderson notes, “Busey has always been involved in the community, and clients recognize that. They want to be associated with an organization that not only prudently manages their money, but also one that gives back.”

In addition to an attractive product, the overall client experience is an important ingredient in

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Robert (Bob) Ballsrud,
Executive Vice President
and Executive Managing
Director, Busey Wealth
Management



Curt Anderson,
Executive Vice President
and Senior Managing
Director, Busey Wealth
Management

THEY LIKE OUR STUFF

\$2.5 trillion of the \$6.1 trillion of U.S. Treasury securities that are held by foreigners are owned by residents of China and Japan, i.e., 41% of the total. (source: Treasury Department)

SUPER RICH

Super Bowl quarterback Tom Brady’s rookie contract with the New England Patriots in June 2000 was a 3-year deal worth \$866,500, i.e., approximately \$289,000 per year. On 12/29/14, Brady signed a 3-year, \$27 million contract, i.e., approximately \$289,000 every 12 days. (source: BTN Research)

HOOK 'EM

Texas added a net 1,236 new residents each day during 2014, i.e., 451,321 over the course of the year, bringing the state’s population to 26.96 million, the second largest state behind California. The 1,236 per day is equal to a new net Texas resident every 70 seconds. (source: Census Bureau)

Busey Wealth Management – Integrating trust and investment services makes for a perfect match *(continued from page 3)*

the success of Busey. The organization maintains ongoing communications with clients and ensures the portfolio managers are made aware of client needs and concerns on a regular basis. In efforts to keep clients even more informed and educated about the Busey philosophy and management approach, Busey Wealth Management recently launched a series of breakfast and lunch gatherings with clients. Through these events, clients have the opportunity to meet the team that manages their money and explore questions about the market. “We believe it’s important for the entire Busey Wealth Management team to be accessible to clients and that transparency will drive the future growth of our business,” says Anderson. ■

Success in the numbers

When Busey Investment Services first introduced Signature Solutions, the team had a goal for an average account size of \$230,000, which was \$100,000 larger than the average account at the time. By focusing on execution and attracting a higher caliber client, they exceeded that goal and now boast an average account size in Signature Solutions of \$240,000. Of Busey Investment Services’ \$700 million, \$130 million is currently under Signature Solutions with a long-term growth goal of \$500 million.



Raymond James will host its 40th annual **2015 National Conference for Professional Development (NCPD)**

April 20-23, 2015

at the

Aria Resort in Las Vegas, Nevada

ELEVATE – this year’s conference theme – represents financial advisors’ efforts to bring their businesses to the next level while elevating their clients’ experiences and enhancing their financial futures. Sessions will cover areas such as advanced investment and planning strategies, retirement planning, practice management, marketing strategies and more. Additionally, FID will once again feature a track of sessions specifically pertaining to the needs and opportunities of advisors in our division.



A new path to continued business success

Advisors **learn and grow**
at the inaugural
FID Practice Intelligence Workshop

In November 2014, Raymond James held the first Practice Intelligence Workshop for Financial Institutions Division (FID) advisors in the historical city of New Orleans. Forty-four FID financial advisors attended and walked away with valuable personal development and business growth strategies for 2015. “Understanding that FID advisors have their own unique challenges and opportunities, we decided there was significant value in hosting a separate workshop for them,” notes John W. Houston, managing director of the Financial Institutions Division.

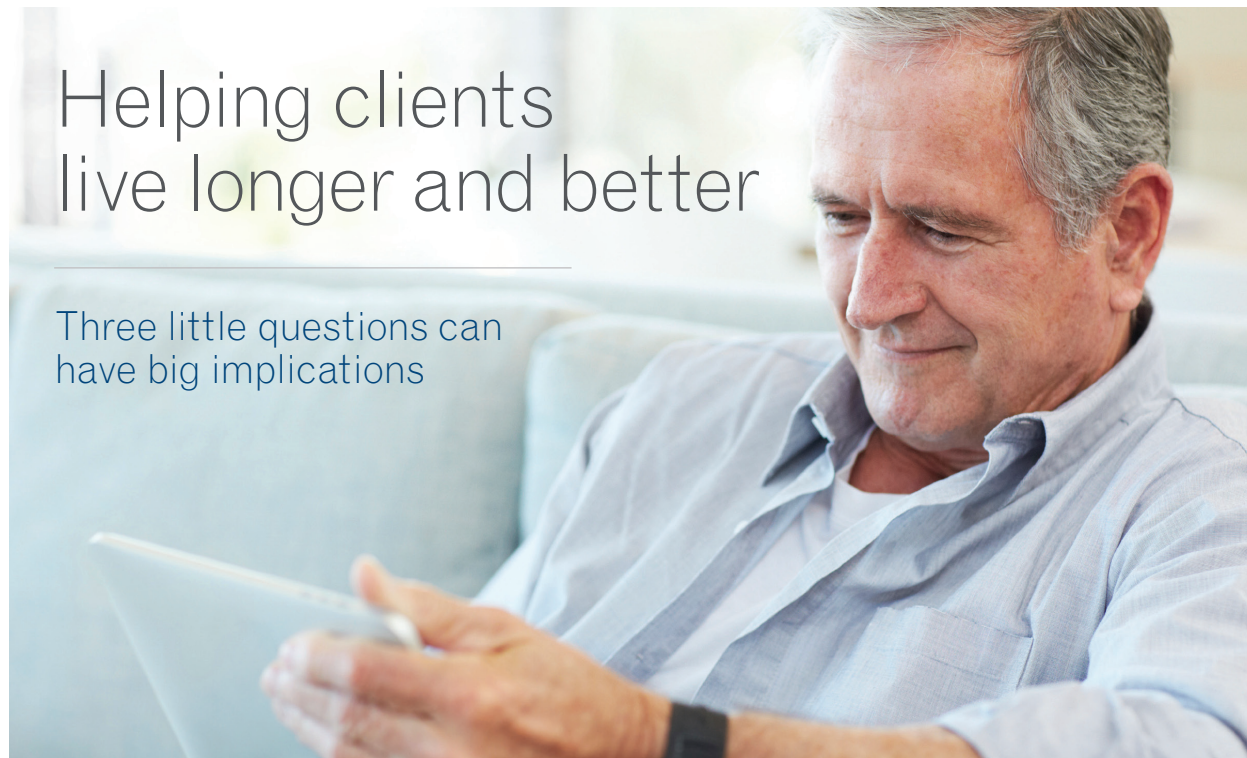
Day one was packed with seasoned presenters as well as educational workshop sessions led by professionals from across the industry. After welcoming remarks from FID Assistant Division Director Grace Austin, Frank McAleer, director of Retirement Solutions at Raymond James, kicked off the workshops with a discussion on how to apply lessons learned from the MIT AgeLab to retirement planning. Additional sessions during the event included Super-Charging Your Digital Marketing, Communicating Your Value to Clients, and Developing Your Blueprint for Success.

The three-day event also included keynote speakers. The presentation by Dennis Mosley-Williams, founder of Strategic Consulting, was a crowd favorite. The internationally known speaker and consultant to the financial services industry talked with attendees about creating an exceptional experience for clients and how it can save their practices.

Alongside the wealth of educational opportunities, there were also plenty of chances to decompress and network with fellow advisors, including a first class wine tasting and the opportunity to take a historic New Orleans music tour. In addition to informative and timely content, the event provided a great forum to share best practices and tips with other advisors. In all, the inaugural Practice Intelligence Workshop for FID advisors was a great success. The division looks forward to continuing to help guide its partner institutions and advisors to even greater success in the years to come. ■

Helping clients live longer and better

Three little questions can have big implications



Retirement – no matter how we define it – is generally something clients look forward to, a stage when they have the most control over their lives and, hopefully, the resources and good health to continue to enjoy it. It's also when they have the most time on their hands. Life expectancy has nearly doubled in the past 100 years, and while clients all have a list of exciting things to accomplish as older adults – culinary school, road trips, exotic vacations and visiting grandchildren – one question remains that you may want to ask them: What will you do with the rest of your time?

There's a shift happening when it comes to thinking about – and planning for – retirement. These days it starts with thinking less about how much clients may need and more about how they want to live. Many in their 50s, 60s and 70s look at their so-called “golden years” as a golden opportunity to redefine themselves by creating a more purposeful retirement of productivity – learning, working and volunteering – and an active, fulfilling social life.

Finances still need to be part of the equation, but ultimately, the factors that will determine a client's future quality of life are the most important to hone in on. The following questions were developed by MIT's AgeLab in conjunction with Hartford Funds, and are a great place to start with clients when it comes to talking with them about taking a holistic approach to living longer and living well.

Who will change my light bulbs?

This isn't just about light bulbs, of course. This is a no-brainer when one is able-bodied. Most of us take for granted our ability to perform daily house cleaning, maintenance and basic repairs. But that may change as one gets older, making it a bit more difficult to take care of a home.

This question gets to the heart of a client's long-term home maintenance and their ability to live comfortably (and safely) at home as long as they want. To help clients make a plan about when they may no longer be able to work around the house, their financial advisor

should have them identify trusted service providers who can take on the tasks and figure out the recurring costs.

Friends, neighbors, family members and even their financial advisor are good referral sources. Have clients ask for recommendations and draft a go-to roster of professionals who can help. They should start by thinking about the types of home services that may be needed and their costs:

Plumbers	Painters
House cleaning	Laundry
Electricians	Lawn maintenance
Basic repairs	Renovations
Roofers	Pool care
Grocery delivery	

The vast majority of people want to live at home for as long as possible (often referred to as “aging in place”). Some clients will be among them, so another good discussion is talking to them about certain renovations (particularly those that safeguard against falling) that will help them out in the future. Clients should consider the costs and proper time to make such changes so they can plan for the expense.

What is the MIT AgeLab?

Based within the university’s School of Engineering, the MIT AgeLab brings together researchers, businesses, universities and the aging community to create innovations that impact how we live, work and play as we get older. The research also touches on issues and challenges investors face as they plan for retirement. Learn more at agelab.mit.edu.

How will I get an ice cream?

An ice cream isn’t essential to everyday living, but what we’re really asking is how will you get something you want, when you want it? Part of living the good life is being able to easily participate in the little things that put a smile on your face. And it may well be a chocolate ice cream cone with sprinkles.

While most of us can readily afford a sweet treat, the capacity to have that cone on demand requires clients to have reliable and safe transportation. Will they be able to drive? Walk? Take the bus? Can they afford to have a driver help them out, if need be? Financial advisors should explore with them the types of reliable transportation they may be comfortable with and how they will be able to pay for it.

Who will I have lunch with?

Lunch is so much more than a meal; it’s a social occasion. Even with adequate finances, if a client is living alone without a robust social circle, their ability to age healthily is at risk. Have your clients think about whom they may rely on. Family? Current friends? Neighbors? Social interaction is important at any stage of life, but it can be particularly significant and life affirming for clients in their 60s, 70s and 80s. Consequently, planning where and with whom to retire may be as important as how much it will cost.

MAKING THE CONNECTIONS

On the surface, these questions may not have much to do with retirement planning, but the answers they generate can predict how rich and satisfying clients expect their retirement years to be. It looks beyond the numbers and helps them think about real retirement concerns, like housing, transportation, the relationships and connections that make life worth living, and the decisions and planning that go along with them.

As advisors talk with their clients about these questions and arrive at specific answers, they can integrate these factors into clients’ retirement plans and address any additional concerns they may have for the future. In addition to this article, Raymond James has structured actionable campaigns related to the MIT AgeLab research that advisors can implement when helping clients prepare for retirement. These include guidance on how to quantify the “quality of life” conversations with clients and turn that into input for new features available on the Goal Planning & Monitoring platform. Advisors can also access detailed information guides, client letters and webinars to help with understanding the AgeLab research. ■



At the TOP OF THE CLASS

#5 PAT VARNEY

BANK OF COLORADO
WINDSOR, COLORADO

Pat Varney has spent 14 years as an advisor and believes the most common mistake young advisors make is not reaching out to more experienced reps and asking for advice. "People are willing to share," says Varney. "I think sometimes people can be intimidated about asking other people about their strategies, but I'm not. You just have to ask." Varney's father, a seasoned financial advisor and manager, has been Varney's greatest mentor and helped him learn the business early on. At the age of 10, Varney bought his first two stocks with money he earned mowing lawns.

#11 STEVE KENNEDY

TOWNEBANK
NEWPORT NEWS, VIRGINIA

Alongside the help of the stock market last year, Steve Kennedy attributes his local centers of influence as a large factor behind his record production. Approximately 60% of his business is in discretionary fee-based accounts, where he employs a strategy using advanced technical analysis and tactical allocation.

Here's a look at the 2014 Raymond James advisors who made *Bank Investment Consultant's* Top 50 Bank Advisors list.

#14 JAMIE HARE

PINNACLE BANK
NASHVILLE, TENNESSEE

With a book of business that is almost entirely fee-based, Jamie Hare has found success managing a select group of clients. Hare focuses on a tax-efficient portfolio strategy, where he prefers to buy individual stocks and bonds for his clients versus mutual funds.

#26 FRED GREENE

WOODFOREST NATIONAL BANK
THE WOODLANDS, TEXAS

Fred Greene makes it a number-one priority to provide exceptional client service. He has grown his business through both fee-based and commission-based accounts – all based on each client's individual needs and financial objectives.

#27 MICHELLE ASHWORTH

CORNING CREDIT UNION
CORNING, NEW YORK

Michelle Ashworth recently took on the mission to convert the firm's wealth strategies team from Excel-based meeting notes and templates to a user-friendly customer relationship management system. Since doing so, communications with clients have increased, and notes have become more detailed and organized. Ashworth also gained efficiencies in the front and back office, allowing the team to spend more time with clients, as well as prospect new business.

#31 GREG MALIN

FULTON FINANCIAL
CAMP HILL, PENNSYLVANIA

Understanding the business opportunity available through the bank, Greg pursued every distribution channel available in the bank to build his business. He has successfully integrated his practice with the bank's business and commercial lines as well as with wealth management.

#39 PAUL STETTER JR.

FULTON FINANCIAL
EPHRATA, PENNSYLVANIA

Paul Stetter's expertise lies in selecting investments that match each client's specific goals and objectives. He uses a focused four-step process to help his clients find successful solutions for major lifestyle issues, including education, retirement, estate planning and portfolio planning.

The Raymond James Financial Institutions Division family is growing

We are excited to welcome several new institutions to the Financial Institutions Division (FID) family to capitalize on the robust investment and wealth management services offered by Raymond James.



Headquartered in Portland, Oregon, OnPoint Community Credit Union has provided investment choices for more than 10 years. OnPoint President and CEO Rob Stuart noted about the partnership with Raymond James, “With more robust offerings and added educational tools, this new relationship will provide our clients access to one of the most respected investment firms in the country.” OnPoint has eight advisors that manage approximately \$219 million in client assets.



Total Wealth Management, a TotalBank affiliate, headquartered in Miami, Florida, manages approximately \$165 million in client assets for both consumers and businesses. Program Manager Joel Palatnik oversees a team of five financial advisors and three service associates.

TEXAS CAPITAL INVESTMENT SERVICES

Texas Capital Bank, N.A., a subsidiary of Texas Capital Bancshares, with assets of \$12.1 billion recently partnered with FID in efforts to provide a better experience for the bank’s wealth management clients. The investment program is a startup at the bank and is already on a fast track to becoming



a highly successful business under the watch of Wealth Management President Alan Miller.

FID also welcomes investment teams from StellarOne Bank, OmniAmerican Bank and Franklin Federal Savings Bank as the result of mergers with existing FID affiliated banks – Union First Market Bank, Southside Bank and TowneBank, respectively.

“It’s a pleasure to welcome each of these experienced investment teams to our Financial Institutions Division,” said John W. Houston, managing director. “We are delighted they chose to partner with us, and we look forward to providing the sophisticated products and services, the integrated technology and comprehensive support they need to continue to grow.” ■

ECONOMIC SNAPSHOT

SCOTT BROWN
Chief Economist,
Equity Research

Real GDP growth for 2015 is expected to be 2.5% - 3.0%, but that understates the expected strength in the economy (due to a wider trade deficit, which subtracts from overall growth). Lower oil prices will cause some pain for energy producers (both domestic and foreign), but consumers and other businesses should benefit considerably, particularly in the first half of the year. The Federal Reserve is expected to begin normalizing monetary policy. The

timing will be data-dependent and should be seen as a natural response to an improving economy. Despite domestic economic strength, U.S. investors will likely be buffeted by what's happening in the rest of the world – that includes a possible escalation of geopolitical tensions, prolonged softness in the global economy, and central bank efforts to spur growth.

	ECONOMIC INDICATOR	COMMENTARY
POSITIVE OUTLOOK	GROWTH	GDP growth is expected to be moderately strong, with some boost from lower gasoline prices in the first half of 2015.
	EMPLOYMENT	Job growth was strong in 2014. We should see a further reduction of labor market slack in 2015. Job destruction has remained low. New hiring is picking up, reflecting a stronger outlook for small- and medium-sized firms.
	CONSUMER SPENDING	Despite strong job growth, lackluster gains in average wages were a limiting factor for consumer spending in 2014. Lower gasoline prices will boost consumer purchasing power nicely in the first half of 2015, but we need to see a pickup in average hourly earnings in the second half of the year.
	INFLATION	Lower gasoline prices will put downward pressure on consumer price inflation in the near term (and we may see some of that flow through to lower core inflation). However, the impact from lower gasoline prices will be transitory.
	MONETARY POLICY	The Fed "can be patient" in deciding when to begin raising short-term interest rates. There is no clear consensus on timing. Policy moves will be data-dependent. The risks of tightening too soon are greater than moving too late.
	THE DOLLAR	Soft growth abroad and a Fed that is considering tightening are both positive for the dollar.
NEUTRAL OUTLOOK	BUSINESS INVESTMENT	A mixed bag. Economic weakness abroad may lead to more cautious capital spending in the near term. However, the outlook for domestic-oriented firms should remain strong.
	MANUFACTURING	Mixed across sectors, but generally improving in 2014, manufacturing should benefit from the decrease in energy costs. Exports are likely to be restrained by soft global growth and a stronger dollar.
	HOUSING AND CONSTRUCTION	A major disappointment in 2014 (especially considering the strong pace of job growth), housing has been restrained by supply constraints and reduced affordability. A pickup in average wage growth would help.
	LONG-TERM INTEREST RATES	The drop in long-term interest rates was a major surprise in 2014, apparently driven by an outlook of somewhat slower long-term growth. Long-term rates should rise as the economy improves, but the low inflation outlook is likely to limit the increase. The 2-year yield should rise more rapidly than the 10-year.
	FISCAL POLICY	We have a FY15 budget agreement in hand. There is still the possibility of a showdown over the debt ceiling, with a potential drop-dead date for the Treasury in the late summer or early fall.
	REST OF THE WORLD	Global growth was unexpectedly soft in 2014 and is expected to remain so in 2015, but the risks are heavier to the downside. Investors should watch for renewed or intensified global tensions.

**FIRST QUARTER
FISCAL YEAR 2015
(ENDING DECEMBER 31)**

Top 25 Financial Advisors	Average per Financial Advisor
Trailing 12-Month Production	\$1,690,922
Trailing 12-Month Increase	19.4%
Account Size	\$374,677
Assets under Administration	\$244,247,103

Top 25 Financial Institutions	Average per Financial Institution
Trailing 12-Month Production	\$5,759,127
Trailing 12-Month Increase	13.1%

FID STATISTICS

\$41,216,084,998

7.0%

22.4%

Total Assets as of December 31, 2014

Percentage Increase in Assets
(December 2013 – December 2014)

Percentage Increase in Fee-Based Assets
(December 2013 – December 2014)

**TOP 25 FINANCIAL
INSTITUTIONS –
PRODUCT MIX
BY REVENUE**

