



Rainmaker
PODCAST

EPISODE # 29

FRANK RICCIO
FIRST EAGLE

Dan DiDomenico: Hello, everyone, and welcome to this next edition of Rainmaker Podcast. I am Dan DiDomenico, president of Dakota. And I am thrilled to have here in the studio with us, from Denver, Colorado, we have Frank Riccio. Frank Riccio is the head of US Wealth Solutions' Sales and Strategic Relationships at First Eagle Investments, where he's responsible for the daily operations of the US Wealth Solutions team and leading the Retail Operating Committee. Frank has more than 20 years of experience in sales leadership. Prior to joining First Eagle in November 2023, he was executive vice president and head of Field Sales at PIMCO. Before that, he was senior vice president at Allianz Global Investors. Frank earned his BS in business administration from the University of North Carolina at Chapel Hill and holds the CFA designation. This promises to be just another fantastic conversation as we unearth additional best practices and we hear from another seasoned veteran, a leader within our industry. Frank, I'll tell you what has been such tremendous feedback that we continue to get is that even as we all evolve in our careers, being able to hear from those that are so successful within our industry just to continue to evolve ourselves personally, it's been tremendous. So, we are so grateful for you to be here in the studio. Welcome to Philadelphia.

Frank Riccio: Happy to be here. And I am a listener, so I'm definitely getting a lot out of the Rainmaker experience.

Dan DiDomenico: I'm a listener as well. I mean, honestly, what Gui has done and created and where I am able to and so privileged and honored to be able to interview people like yourselves, I get so much out of these conversations. So, we're very much looking forward to it. Before we dive in and just before we start to get to all the details of the conversation, maybe just start a little bit and share with us about your background. And maybe introduce for those who don't... I mean, most of us do know... First Eagle. But for those of us who don't know take, maybe give us a few of the highlights of the firm as well.

Frank Riccio: Sure. Happy to. Just by way of background, 24 years in the industry, 23 of those with the Allianz and PIMCO organization, starting in product management, 10-year career in wholesaling, 8 years of sales leadership experience, joined First Eagle last year in November to essentially lead the US Wealth Solutions business day to day, along with our Operating Committee and our senior leadership team. 11 months in the seat, definitely a nice continuation from my last role at PIMCO, which was head of field sales, and

exciting time to be leading a team of sales professionals in our industry, for sure.

Dan DiDomenico: Fantastic. Well, we're going to be drawing on all of your experiences here. But maybe just start with just a little bit of an overview of First Eagle for us as well.

Frank Riccio: Yeah, so we're a privately held asset manager based in New York, \$140 billion in assets under management. We currently have five investment teams. Everything we do is centered around active management. The history of the firm goes back to 1864. Originally, a collection of family businesses found its footing in merchant banking, started managing outside money in the '60s. And the big bellwether moment for our business was the late '90s when we purchased the Sojourn funds. And this was where First Eagle Global Overseas and the Gold Fund came into the First Eagle umbrella from Sojourn, that society general. Those were managed by Jean-Marie Evrard. He's a veteran global value investor. Those products really got their footing in the wealth management business in the early 2000s. They did really well through the tech wreck, did well through the global financial crisis, created a lot of client loyalty just for how resilient those portfolios were over multiple market cycles. The last six years, it's been a period of acquisitions, buildouts, and lift-outs to find management teams that we think complement what global value is known for in the marketplace. So, think small cap, municipal bond investing, and then two acquisitions to really give us the full suite of private credit investments. And it's really all hung around this idea of resilient wealth creation. And you think about a 160-year-old company that's protected the family's wealth, protected investors' wealth. It's really about intergenerational wealth transfer and just resilient wealth creation.

Dan DiDomenico: And it's an incredible history, an incredible legacy. And now it's building upon that... right?

Frank Riccio: Yep.

Dan DiDomenico: And to have that kind of sustainability in the marketplace, you always have to be thinking about growth. But at the same time, the legacy, the core for First Eagle sounds like it's been how to protect, how to preserve, and how to grow through multiple market cycles. And we're certainly in periods of volatility and disruption. We saw that more recently. And who knows what's around the corner? But a very cool and interesting spot for you to

land at First Eagle to take them into that next leg of growth. And maybe you can talk about that for us. Where are you focused, your sales team, your efforts? How are you all organized in terms of distribution?

Frank Riccio: Yeah, happy, too. So, what I love is before I even got into the seat last November, the firm had identified client-facing resources as extremely important to growth within the wealth management channel. We just don't have a better way to do it. So, for our size, \$140-billion asset manager, you could argue we're over-indexed on the sales side. We have 110 people within the US Wealth Solutions Group, 38 wholesalers, 5 hybrids, 22 internals. We have five CSAs that are supporting the internals and externals. We have a 13-person Retirement team, an 11-person National Accounts team. So, when it comes to how we're organized in the field, we have a Wire and REA-focused team and a national sales manager that leads that endeavor, not channelized. These are dechannelized territories, but with the majority of their opportunity being Wire or REA. We also have an independent broker dealer channel, again, wholesalers that are focused on the IBD channel, but everybody has some exposure to all three channels, essentially. And I would also mention, when it comes to the major metro markets, we've identified nine which we would call major metros. These are the major money centers. We doubled down. We have two wholesalers in those markets just to make sure that we're going as deep as we need to in order to represent our products and services.

Dan DiDomenico: I mean, that is tremendous depth and coverage, but I love that focus, too, where you're able to identify what is an area where you feel as though you could be most effective, and let's drill down there. Let's go deep. So maybe you can help us just understand, how do you organize and marshal all those resources? I'm sure there's a very clear sales process at First Eagle, one that you have implemented, I'm sure, from your prior experiences, that you've brought over. There may have already been a process in place, but just share a little bit about how you cover those end channels.

Frank Riccio: Yeah, a great structure, a great process in place. I'll start just big picture in terms of we want to have a strategy for our business that can take us out multiple years. And so, we start every year considering, what are the industry trends? What are our clients telling us? How does that match up with market sentiment? And where can we really lean coming into the next year? So that's what helps us set our sales goals across different initiatives, different

products, different vehicles. We're definitely on the path of vehicle diversification when it comes to our business. That's going to trickle down to sales goals for the Wire team, for the IBD team, and for national accounts. Our National Accounts team also has specific sales goals. That's going to trickle down into territory goals. It's also going to trickle down into, what are our objectives in terms of platform placement? And then, what is our plan for getting those products that we place on our platform to scale in the marketplace? We're also going to make sure that we have data delivered to every wholesaler so that they can act upon those opportunities in a meaningful way in their territory, and that when they're walking into a meeting, they're not asking the questions that could be answered by data or a website search, et cetera. And I'm a big proponent of allowing... if you hire the right people, allow their skill, allow their market acumen, and allow their business acumen to take over at that point. We're obviously going to be coaching and watching trends as time goes on, but we really want to just empower great salespeople, great national accounts managers, great retirement professionals to do their job as well as they possibly can.

Dan DiDomenico: So, it sounds like there's a lot of detail along the way from first starting with the trends, establishing the sales plan, establishing the goals, and then allowing that to ultimately dictate, how are you going to target your underlying resources, your sales professionals that are covering those different territories? Along the way, I'm sure there's a lot of collaboration. Maybe you could talk through, what is that communication regiment that you have with your team just to make sure that you're staying on target and that you're showing progress against those goals?

Frank Riccio: Yeah, so we have the daily sales reporting that I think everybody has. We also get a little bit more granular than some firms may in terms of us providing, on a daily basis, everyone's progress against strategic initiatives, against their overall sales goal, and then any secondary sales goals that are set. And that's communicated across the team. So, everyone's getting a look at progress. If there's someone that's breaking out to the upside, we want calls to be made between the team. So, it's a self-sustaining organism in that way. We think there's a lot of collaboration that goes on in the field on their own volition. But in terms of the structure that we put around it, as a team, we meet monthly. I lead a call for the entire US Wealth Solutions organization. Our Wire team, IBD team, National Accounts team, and Retirement Sales teams run calls essentially every other week focused on their specific areas and the resources they need to

bring to bear for their specific teams. And then monthly, I think the most important check-in we do is what's called a trending report. This is something that was in place well before I got here, but I think it's a really great way for every territory to take a look at how they're spending their time by channel, by firm, by product, and by initiative. And that's a coaching conversation with the national sales manager within that market on a monthly basis. And it's a really good check for all of us. I'll look at it from the top down, but really, everybody's getting a look at their specific business from that lens. Obviously, we're going to do more coaching with some of our newer members of the team who probably need a little bit more guidance. But generally speaking, that training report is what we use to keep ourselves on task throughout the month.

Dan DiDomenico: Interesting. I love that concept of bringing everybody together. Let's hear each other's success. You're going to have different people leading that, it sounds like, depending on what the topic may be. But that's just that ability to cross-pollinate, share. Hey, here's where we are. Being really successful, what can we learn from that? How can we apply that across other regions? Or vice versa, here are some of the challenges out there, and maybe that's going to have you re-evaluate where it is that you're spending time and resources. So those pivots are quite important as we think about the evolving marketplace and where interest may lie. It sounds like you travel quite a bit from what you were talking about earlier and before we even got on here, being in Denver, traveling around. You're heading up to Boston. Talk about the other mechanisms by which you're collecting feedback from your team. Are you visiting with each of those team members? Are you going into their territories? Are you trying to hear firsthand what some of their client engagements may be like?

Frank Riccio: Yeah. I think you touched on something that's really important for me as a leader. It's really hard to lead a sales organization if you don't have a firsthand understanding of what's going on with clients, not just at the home office, but also in the field. So, we have a couple of feedback mechanisms, I think, that are important. So, one is we have what we call the Sales Council to Management. It's something that's common in our industry, quite frankly, but we find it really valuable. This is a group of senior wholesalers that are a resource to management. They're also representative of the team to stakeholders across the organization. We have co-chairs for the SETM. Those individuals are people that I am in contact with a couple of times a week, be it on market

sentiment or something that we need to make a decision on right away that requires their input. So that's an important feedback mechanism. In Denver, I have relationships with advisors in the market. I'll be in the market with Chris Sailer, our local wholesaler, from time to time, introducing him to people that I know in market or just being there as a resource and being there so that when I'm representing the firm and trying to help us figure out what our way forward is, I have the knowledge I need to make those decisions. We also have, again, another industry standard practice but an important one, which we just started this year, is a council of our best advisors. And they're engaging with senior leadership. We give them an inside look at the firm. And it's a two-way street, and they really do help us. They're a good check on our strategic plan. They're a good check on product development. And it's a great way, again, for me to stay informed.

Dan DiDomenico: That's wonderful. I mean, talk about taking client feedback just to that next level, having a council of your most trusted advisors that can help shape that direction with their input. I'm sure they love the fact that they're able to have a voice to be able to not only learn from you all, but then be able to share what they believe from their practice would be most helpful for them to drive the end result that they need for their clients. So, we talked about... and that's the great qualitative feedback that you need to get in order to set the right direction. I'm sure that really gives you a good clarity into where you want to take your sales efforts. Talk to us a little bit about... from what you're already sharing, it's a bit of a leading question... data, reporting. Sounds like it's very important to you all. How are you leveraging then a CRM to organize all of that data on both sides? What are you providing to your sales team, as well as what are you able to lift out of it, so the output of that, to help you in your measurement of progress, be able to report up to the powers that be at First Eagle?

Frank Riccio: Yeah, we're trying to avoid garbage in, garbage out with CRM. So, we've spent a lot of time making sure that CRM is incredibly easy to interact with. So, we have an app. It's a customized app for First Eagle. There's a programmer that's worked at the firm for a while that left a larger firm to go to a smaller firm. They developed a talk-to-text CRM app, which is on everyone's phone. After the meeting, the input is super simple. They can talk their notes into CRM. So, we're capturing a lot better data now and higher-quality data, which is just making our CRM environment a lot richer. I'd say there are two ways in which we're using CRM that I think are

adding a lot of value. One is we're very serious about the pipeline functionality within Salesforce, and we use that actively. In fact, on the wire house side of our business, the national sales manager has his team doing pipeline calls every week. Everything for him starts with the pipeline. And then on the campaign side, we do run our campaigns through Salesforce. We're very serious about making sure that we maximize our conference spend. We have a senior sales leader who is 100% focused on maximizing our conferences. And so, we think the warmest touch... the best lead is a follow-up from one of those conferences. So, a lot of what we're putting through the campaign tool within Salesforce is related to our conferences, making sure that our internals have a follow-up conversation directly after those meetings. We're watching that as closely as we possibly can to maximize that spend. And we find the ROI on those events, when we do it the right way, is a lot better than when you don't. Let's put it that way.

Dan DiDomenico: So, you're creating efficiencies for your team by allowing them to use the tool to maximize the time and the quality of the feedback. You made it easy for them. And out of that, then you're able to more accurately measure where it is that you stand either in terms of pipeline or where it is that you should be focusing your energy. Clearly, the conferences and the ROI and having people attend a conference, that creates an incredible touch point. You already now have the baseline for you then to follow up. What is that interaction between the externals, the internals? I think it has a few hybrids as well. How does that work at First Eagle?

Frank Riccio: I'll just pick back up on something I think is important from your last question, which I failed to mention. One would be just a quick example from today. So, we have all of our pipeline and campaign information that feeds into the keyword section of Salesforce. So, if we're ever going to make a call to an advisor, all of that's lined up right next to the CRM entry. And so that makes sure that every conversation we have with an advisor is as live as it possibly can, includes the most recent information, and can lead directly to a sale. And we had a great example of that this week with one of our new product initiatives with an advisor we hadn't met with before, last minute internal making calls for the external to get an appointment in a drive zone that he was going to be in the next couple of days, reached out based on some of the information we had related to opportunity with that new product initiative, gets the meeting in the office and capture a bunch of notes prior to that. And

we were able to close \$4 million in business. So just a recent example of—

Dan DiDomenico: I love that.

Frank Riccio: ...us using the data and—

Dan DiDomenico: So that's a great journey that you just very clearly were able to use the data to see, what was that first touch point? What was successful? Now, how can we replicate it? How can we do more of it?

Frank Riccio: Yeah.

Dan DiDomenico: So again, getting back to the follow-on question about your externals, your internals, this is driving at, how else is data being used to cover the end markets? So, if you're defining your TAM, your total addressable market, who is it then that's within that journey, the role of your internal versus your external? Is it the traditional internal is just trying to open up those new relationships, whereas the external is fostering those relationships? How does that work at First Eagle?

Frank Riccio: So, for us, the most important role for the internal is to support the external in partnership on the largest clients and the largest prospects in that market. That's just what the data has told us over a long period of time, very consistently. So, with that in mind, our two top segments are top client, top prospect. That's where the internal and the external are working hand in glove. We do have the internal scheduling. Now, one of the reasons why is that one of, arguably, the best ways to close a great call with an advisor on the phone is to ask for the meeting when your external is in town next. So that's a great indication for us that our internals are being effective on the phone. It's, how many meetings are you scheduling? How many opportunities are you opening up for your external? How many pipeline opportunities are you getting for your external over the course of a month? So that's really one of the key ways that we measure. We obviously have our internals making follow-up calls from conferences. We think those are high value. We really want to make sure that any time an internal is making a call to an outside client, that they have a reason and purpose for making that call. There's very little, let's call it, cold calling or prospecting for prospecting's sake. We only have 2 to 1 when it comes to externals to internals right now, so we have to be very careful about how our

internals spend their time. And we're really focused on what we think are those critical opportunities and critical responsibilities.

Dan DiDomenico: It makes a lot of sense. And I think this is likely where... I'll make the assumption that you're going to tell me what you've been able to learn over the course of your career. You've done this job, I think, that probably, very likely, commands a lot of respect and credibility as you step into this position. As you mentioned, you've been now with First Eagle for 11 months. As you're thinking through and thinking about your leadership style, I'm hearing a great combination between that qualitative, that high touch, that direct feedback, being very close with your investment sales professionals, as well as using the data to help inform your decisions and where it is that you want your team to be spending their time. But just talk a little bit about that leadership style, some of the influences that you've had over the course of your career, and I'm sure drawing a lot of the positives of what you've had in your career. And how can you apply that here to your current position?

Frank Riccio: Yeah. One of the things that I say, not that frequently, but I do say it from time to time, is we're all in sales within the US Wealth Solutions Organization. So even if you're not in a direct client-facing role, you have to think about the end client. You have to be a salesman in terms of how you approach your job. If we're all leaning in the same direction and we're all grabbing an oar versus sitting in the boat, we're just going to be more effective. So, in my view, you can't be a passive observer of the business and just make business decisions. You have to be an active participant in the business. You have to model the right behavior. I try to do that every day as best I can. In terms of leaders that have influenced me, look, when you're in the field, you have a lot of windshield time. It's easy to ruminate. It's easy to call somebody to complain. You have to resist that temptation to complain. But what you need is a leader who's direct and transparent with you. And I try to be as best I can. If I don't have a perfect answer, I'm going to let them know. If there's a possibility that the outcome isn't exactly what they're looking for, I'm going to let them that, too. So, I try to be as direct and transparent as I can be. I've been in their shoes before. The last thing you want to do with a distributed sales team is to obfuscate. And I try not to, so taking the direct approach, being transparent, wearing the sales hat. Culture can do a lot of heavy lifting for you if you focus on it, and you model the right traits. And I try to do that as best I can.

Dan DiDomenico: I mean, it's refreshing. It's healthy. It fosters the right type of relationship that you're going to have with your underlying sales team because you want that type of collaboration. You want that type of back and forth. And I'm sure, again, because of the fact that you were in their shoes, you have done the job, the leaders that you've worked for in the past, the ones that helped you become successful, that's what you're providing to your team. So, I'm sure that comes through very clearly. Even at Dakota, how we have structured our organization, very similar to what we're talking about right now, is you want to be active in the process. We all have challenges that we have to face, but how can we break them down? What obstacles can we take away from the investment sales team so they can purely focus on the job, which is developing and driving relationships? And that's really what we can control in our day to day. So, it just sounds like from what you've learned to what now you're applying in that leadership position, it's going to go a long way here in being effective and continue to grow at First Eagle. We have a wide audience who typically accesses these podcasts. And one of the questions that I love to ask... because there's a lot of young people that get the opportunity to listen to somebody that is and has been so successful in their role and their career that are trying to crack in to our industry, take yourself back to those early days and to where you are today and thinking and reflecting on your own personal journey... what advice would you have for them as they embark in developing certain skill sets to become effective in what we do?

Frank Riccio: OK, I'm going to give a very specific answer to this question. Start out on the sales desk at First Eagle or another great asset manager. Look, I think it's a great place to get your footing in the industry. My advice would be, take advantage of every opportunity. When you're on a desk, the access that you get to PMs, to product management, to national accounts, to other parts of the organization is unlike any other role within asset management, at least in my experience. Take advantage of the accreditations that are offered to you. If there's educational opportunities, take advantage of them. Raise your hand for opportunities. And then just from a mindset perspective, I hinted at this earlier, which is surround yourself with people that are positive, that are good at figuring out what they can control. And my best advice is control what you can control. Take advantage of every opportunity that comes your way. There's a lot that's floating around in the ether at asset management firms. Try to learn as much as you can. From our sales desk, the path can go in multiple directions. It doesn't have to be direct linear road to external sales. It can be national accounts. It could be product

management. It could be portfolio management. It's such a great jumping off point. And this is a unique industry in terms of the skills that you can develop. You have to have people skills, but you also have to have investment acumen. And you need to be able to put it all together. And the sales desk is such a great place for individuals to do that. And stay on the desk until the phone is no longer heavy because that skill of being able to pick up the phone, accept rejection, take that input, craft your story in a different way, and try again is just a skill that would help you in, really, any endeavor or career opportunity that you're going to have in the future.

Dan DiDomenico: I love that. I might have to steal that one.

Frank Riccio: Please do.

Dan DiDomenico: Stay on the desk until the phone isn't heavy. That's a really good one. I mean, look, but it also speaks to a couple of other things that you said, where you have to want to surround yourself with those optimistic voices. It's hard. You're going to get a lot of rejection. But if you want to surround yourself with those positive voices, those more optimistic voices, to know that if you're doing the right things, you're creating the right habits, good things along the way. And it may take time. They tend to happen if you're doing the right things. And that gets back to what you said. Control what you can control. And I love that notion of raise your hand. Be willing to take a unique opportunity. It may not have been the clear next step that you projected. You still know where it's going to lead, though, and to give you that additional experience, perspective, and that's something that you can carry with yourself into any position. That's fantastic advice. Now, along the lines of advice, being now a sales leader... and this could also be something where you can call out maybe some practices with prior leaders that can go nameless that you would, say, avoid. But what advice would you have for a sales leader, someone in your position, that you would want to provide here? And just give us a little bit of guidance in how you would talk about best practices within our industry.

Frank Riccio: Yeah, I mean, one thing I try to keep in mind, I think, is just good general advice for a sales leader, and especially one that is leading a distributed sales force. Part of our job is to do the worrying for our salespeople. So that's our job. It's to solve those problems when they come up. If there were no problems, there would be no leaders or managers. You wouldn't need them. So, make sure that you're doing the worrying for your team as much as you can. And

when you make an ask of the team, you know that you're making that ask because there was no other option than to ask for it. I would also say, remember, culture is probably the biggest lever you can pull in an organization. Yes, as a leader, you get to make decisions. But generally, what's going to work for you over time is the type of culture that you develop at that firm. So, I spend a lot of time thinking about, am I modeling the best practices? Am I a culture carrier for the firm? Is our leadership team carrying the culture for the firm? Because when we're sleeping at night or we're not in market with wholesalers, that is going to be in the back of their mind. Who do they work for? What kind of culture are they representing? And we take pride at First Eagle in making sure that our culture is as strong as it possibly can be for our clients, for our employees, and just for the future of the firm.

Dan DiDomenico: Yeah, sounds fantastic. I love that. We're going to take care of... we're going to worry for you and thinking about what those challenges may be by staying so close to your investment sales team. By staying so in touch and in tune with what's occurring out there, you can be on the front lines with them to understand, what are those obstacles for you then to think about? What is it that we can put into place or what tool can we provide them to help clear those obstacles? And that leads into my next question, which is, what are those top challenges that you're feeling that you're facing today on a day-to-day basis?

Frank Riccio: Yeah. For me, it's balancing the time I'm spending with clients, the time I'm spending thinking about our business, the time I'm spending interacting internally. It's that balance and maintaining that over time. I think the thing that we as managers want to spend a lot more time doing than we think we do is spending time on getting the right people in the door at the firm. So, the people you hire, if you hire good people... you can have a mediocre sales plan. The market can go against you... good people can fill in a lot of the cracks in your organization or the cracks in your sales plan. So, keeping the focus on always recruiting, networking, meeting new people, making sure you're building a talent pipeline for the organization both externally and internally is just so important to the business. It's a people business. And I think sometimes just keeping your focus on making sure the culture is where it should be, making sure you're creating a career track for your employees, you're rewarding them properly, and you're hiring the right people is, I think, the special sauce to, really, any successful sales organization.

Dan DiDomenico: Yeah, I mean, that's the growth mindset and not staying static, not being complacent, always thinking about different ways and new ways to improve, to enhance the networking aspect, and just making sure that you're surrounding yourself with the right people, being that culture carrier, identifying those that are going to connect. I mean, Frank, everything that you've shared, it's very clear as to why you've been so successful and how you've gotten to this important seat at First Eagle. And I have a lot of confidence and belief that you're going to continue to be quite successful, and First Eagle's very fortunate to have you in that seat for that next leg of growth, for the next 100 years plus of the firm's growth and important initiatives. Frank, I can't thank you enough for spending the time out of your busy schedule as you're traveling around the country away from the family. We know how precious time is out on the road. We're so grateful for you to be here today with us in the studio. You've shared a tremendous amount, very generous with your insights and your thoughts and your advice. So, thank you very much for being here on the Rainmaker Podcast.

Frank Riccio: Appreciate it, Dan. Thank you.

Dan DiDomenico: Thanks, Frank.