

RBC's US global asset management head sees growth in emerging markets, alternative assets

September 6, 2024

(Reuters) — TORONTO, Royal Bank of Canada (RY.TO), opens new tab is betting on alternative investments and emerging markets debt and equity to boost its U.S. global asset management business, said new CEO Donald Sanya, who aims to ramp up hiring.

Born and raised in Nairobi, Kenya, Sanya took charge in August and leads a team of 225 employees in the United States.

The U.S. global asset management team has added about 75 employees since 2020, and more will be hired, Sanya said, without specifying how many.

Growth in the United States can come from emerging markets where RBC manages assets worth \$35 billion, fixed income through RBC's Blue Bay fixed income platform with over \$100 billion in assets, and alternative investments, Sanya said.

"We really believe that this is an area that will continue to drive a lot of growth for us," he said in an interview.

Emerging market economies are expected to outpace developed market economies, he said, due to favorable demographic trends, increased domestic consumption and other long-term secular trends, making them an attractive option for investors.

Sanya said the bank sees attractive opportunities in private lending in emerging markets, a rapidly



A sign for the Royal Bank of Canada in Toronto, Ontario, Canada December 13, 2021.

growing asset class, as investors seek to diversify by making loans to corporations.

"The increase in volatility in the marketplace, as well as the rate uncertainty, has caused opportunities to invest in fixed income and generate superior returns for clients," Sanya said, noting the demand for platforms to manage wealth as the aging population rises.

RBC's asset management unit manages about \$470 billion in assets globally. Its wealth management business accounts for about 15% of its overall earnings.