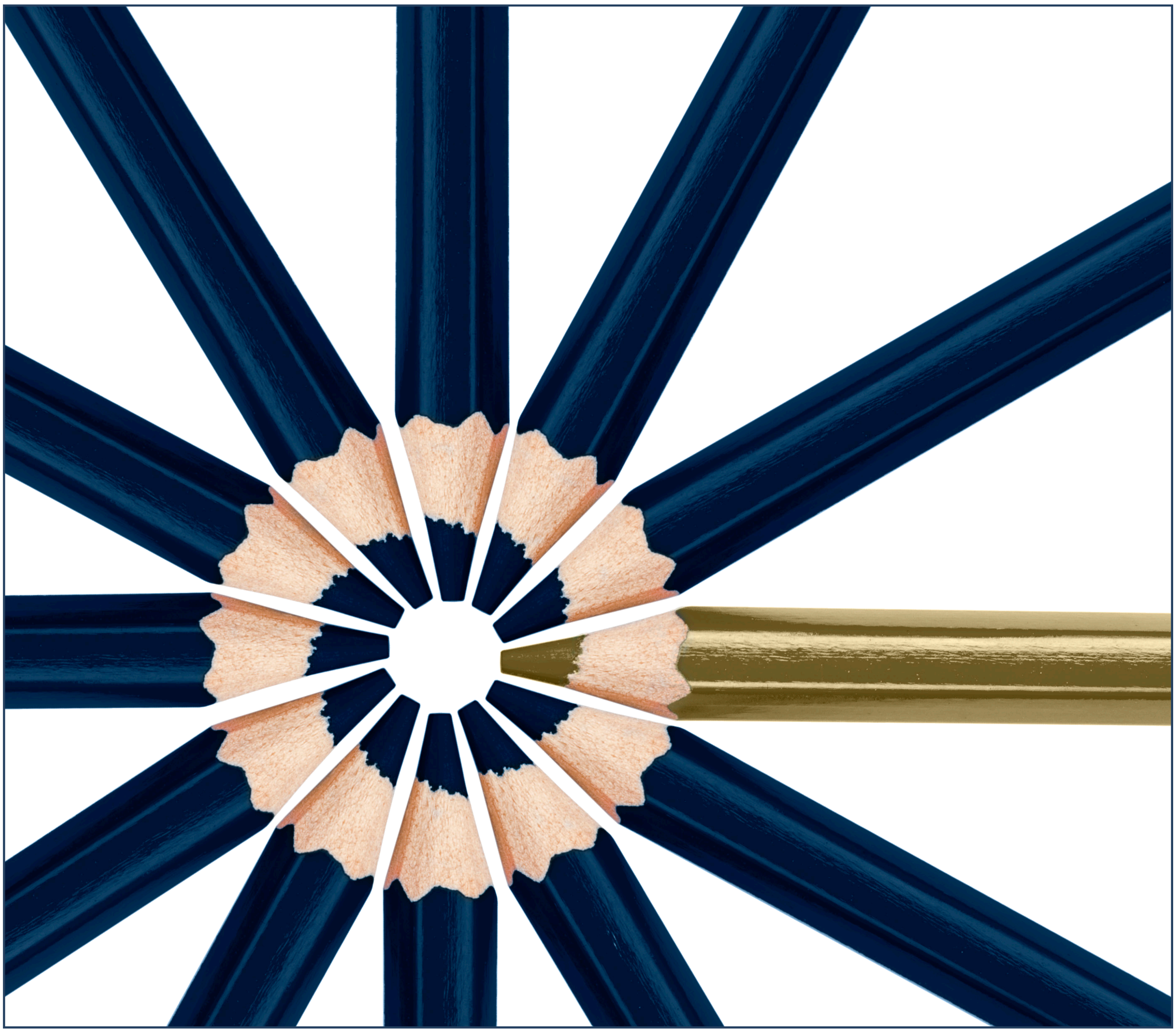
Beyond the Value Proposition

Branding Best Practices for Institutional Asset Managers



GREENWICH ASSOCIATES

Contents

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Executive Summary

In the asset management industry, branding was once considered a topic reserved mainly for huge mutual fund providers that battle for retail assets with costly television ads and full-page spreads in the Wall Street Journal. That perspective has changed dramatically since the global financial crisis and today, branding is emerging as a top priority for asset managers both large and small.

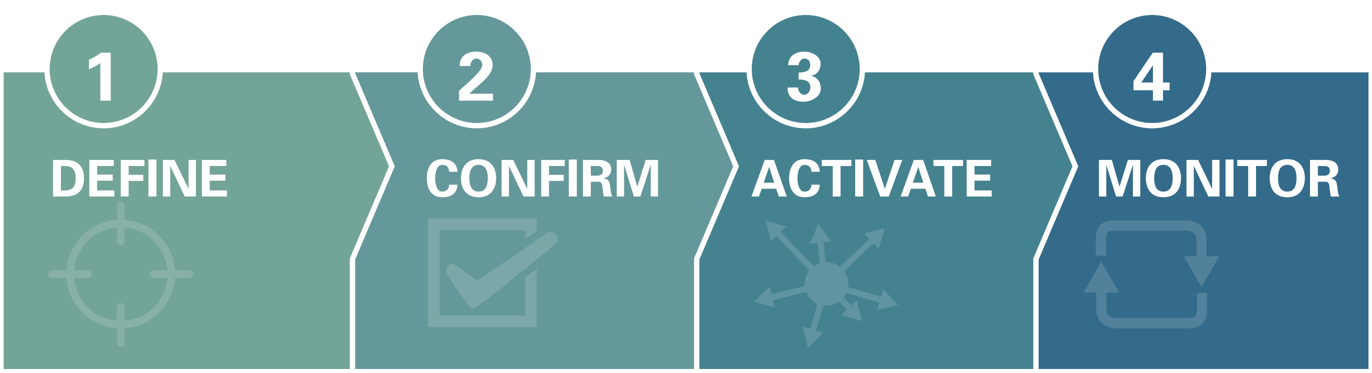
The industry's new emphasis on branding is being driven by a confluence of trends. The migration of retirement assets in many developed countries from defined benefit (DB) plans to defined contribution (DC) structures is prompting many asset managers to focus on DC and other intermediary channels in which their institutional reputations do not hold much sway. Likewise, the globalization of investment markets is pushing asset managers to enter new, foreign markets in which they are competing against both well-known local firms and global players with powerful brands. Investors are more open than ever to new strategies and approaches, and they are increasingly on the lookout for specialist managers and products that can deliver alpha. However, due to resource constraints, investors often have less time to devote to manager searches and due diligence—meaning that firms with an established reputation as an expert in a particular market or niche are often at an advantage.

When it comes to building a strong brand, however, asset management companies face some specific challenges: How do you "brand" investment excellence given the reality that outperformance never lasts forever? How do you "brand" a commitment to creating solutions that address clients' specific needs in a way that differentiates yourself from the hundreds of other managers looking to brand the same characteristic?

Greenwich Associates defines brand in asset management as follows: Communication of the firm's value proposition to external and internal audiences. To develop, implement and maintain an asset management brand, firms should follow a four stage-process consisting of 1) Defining the Brand, 2) Confirming the Brand, 3) Activating the Brand, and 4) Monitoring the Brand.

When defining a brand, an asset management firm must take into account the qualities and characteristics of both its investment function and the organization that supports it. In confirming the brand, firms must secure detailed feedback from internal sources and external clients, prospects and intermediaries—ideally with the assistance of an experienced third-party consultant. Creating a brand is only the start. Even the best brands will die on the vine without a carefully planned and well-executed implementation program that activates the brand throughout the organization. Thought leadership initiatives can be an effective tool for activating a brand. Finally, keeping a brand fresh, relevant and effective requires consistent monitoring of feedback from internal and external constituencies.

Ultimately, the goal of any branding initiative is to create Brand Alpha—incremental sales opportunities captured by a firm due solely to the strength of its brand.



Introduction

A growing number of asset management companies are focusing on branding as an important strategic priority—in some cases for the first time. Asset management firms devote considerable attention to the task of articulating their value propositions. Although an asset manager's value proposition represents the foundation of a firm's brand, until recently few managers took the step of building out the value propositions underpinning their sales presentations into full-fledged, formal brands. However, five trends are causing senior leadership at asset management firms around the world to pay more attention to their firms' brand reputations and characteristics:

1. **Time and Resource Constraints:** A series of related developments including mounting pressure to generate alpha in a challenging market environment, the increased complexity of financial markets, and the growing use of specialty products and alternative asset classes have ratcheted up the time demands on institutional investors. Meanwhile, restricted budgets have left investors operating with thin staffing and resources—limiting the amount of time and attention they can devote to meeting with managers at the very time they are searching for complex products and holistic solutions to meet their needs. In this environment, managers are finding that a strong brand can help capture investors' attention.

2. **Shift from DB to DC:** The gradual, long-term decline in traditional defined benefit (DB) plans has prompted managers to develop strategies for penetrating defined contribution (DC), wealth management and private banking channels in which asset flows are more heavily influenced by brand recognition.

3. **Globalization of the Industry:** The globalization of investment assets and convergence of product demand trends have prompted many asset managers to expand into new foreign markets in which they have little presence and in most cases no name recognition.

4. **Increased Specialization:** As investor demand shifts from core equity and fixed-income strategies to specialist managers and niche products, the industry is fragmenting. In a market in which investors are seeking out the best specialty providers, a well-defined brand can position an asset manager to help investors meet specific needs within their portfolios.

5. **Blurring of Lines and Roles:** In the U.S. especially, the role of the investment consultant and asset manager has begun to blur as managers seek to develop deeper client relationships through needs-based advisory conversations, and consultants expand their offerings of discretionary or delegated services in which they act more like a manager and decision-maker for their clients' investments.

Investors Look to Asset Managers for Advice

The global financial crisis and the onset of the subsequent low-yield market conditions forced institutional investors to rethink how they manage their portfolios. Many of the strategies implemented before the crisis fell well short of expectations. Corporate pension funds emerged from the volatility of the crisis with a new focus on de-risking—but many plan sponsors found themselves stymied in their efforts to immunize portfolios by the contradictory need to generate the alpha required to fund their obligations in a low-return environment. Given these prospects of lower returns, public plan sponsors, other institutions and retail investors alike started searching for new sources of alpha.

As a result, investors today are more open to new products and ideas than at any time in recent memory. They are eagerly trading traditional core strategies for specialized products and more sophisticated approaches that seem to provide higher alpha potential—and better "solutions" for funds' evolving needs, among other less performance-based benefits. The products now in high demand include the full range of alternatives products (including private equity, real estate, hedge funds, and others), unconstrained mandates, multi-asset-class strategies, and specialty mandates in particular strategies, asset classes or geographic regions. Also popular among corporate pension funds are asset-liability matching and liability-driven investing (LDI) strategies. As a result of these shifting product and strategy preferences, smaller niche managers have a real opportunity to win business, but before doing so, they must establish a credible brand and value proposition to the market.

The one thing that many of these investment approaches have in common is that they tend to be more complicated than the strategies traditionally employed by institutions. The increased complexity of today's portfolios is straining investor capabilities. With budgets constrained at many organizations, thin resource and staffing levels mean that investors have limited time to devote to functions like portfolio construction and monitoring, manager selection and due diligence. Even when they do have the time, the sheer sophistication of the new products and approaches they are employing is testing the limits of investors' own expertise.

For these reasons, investors are reaching out to asset managers and other third parties for advice and support. Managers recognize the important opportunity such requests present to form stronger, deeper and more durable relationships with clients. The largest asset management firms in the world are looking to capitalize on this opportunity by forming dedicated advisory groups to service clients and by positioning themselves as solutions providers capable of helping investors achieve their goals across asset classes and at the broadest portfolio level. Smaller managers and single-product boutiques are trying to exploit the opportunity by positioning themselves to provide advice within their areas of expertise, but outside the strict bounds of their investment mandates.

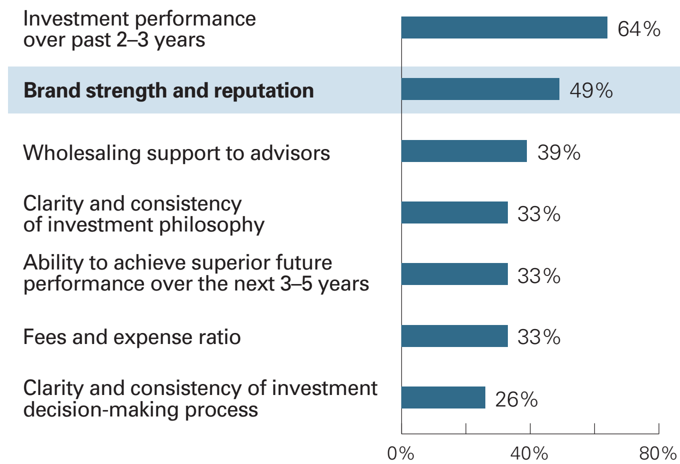
The Importance of Brand

As asset management firms look to position themselves as advisors capable of helping investors solve problems and address challenges within their portfolios, relationships between investors, managers and consultants are evolving. As they do so, asset managers are being forced to rethink their sales processes and pay much more attention to their value proposition, brand and reputation as a means of presenting themselves to hard-pressed investors as providers of holistic solutions.

Meanwhile, globalization and the rise of Asian markets are pushing the worldwide economic center of gravity eastward and most asset managers have identified international expansion as one of their key future growth strategies. Additionally, the convergence of product demand trends across the globe has generated an opportunity for managers to sell more of their products outside their home regions. As they enter foreign markets, asset managers find themselves as unknown entities competing against both familiar local players and global firms with already powerful brands.

Drivers of Asset Flows on Fund Distribution Platforms

Proportion of respondents choosing each factor among the five most important criteria



Note: Based on responses from 84 U.S. intermediary distributors.
Source: Greenwich Associates 2013 U.S. Intermediary Distribution Study

Also ranking high in importance in asset management growth strategies is the rise in importance of the retail markets, driven by the shift of responsibility for savings from employers to employees. Channels such as DC, wealth management, private banking, and others are increasing in prominence as DB declines. While the DB space will provide solid opportunities for asset managers for many years to come, the migration of assets to DC is a secular trend, and managers have recognized the need to establish a presence in this often challenging space. Facing increased competition and unfavorable long-term trends in DB, managers are also increasing their focus on other channels including financial advisors and private banking.

The following graphic lists the primary drivers of asset flows on independent fund distribution platforms including DC, RIAs, broker-dealers, and private banks in the U.S. Notably, brand strength and reputation rank second only to past investment performance when it comes to attracting client assets on these platforms. So, despite the fact that gatekeepers are adopting more institutional-style practices and criteria when selecting managers for their platforms, the managers that win assets on those platforms are those that have created powerful brands.

Even in the institutional space, these considerations of brand and reputation have always been important to asset managers with certain ownership and organizational structures. Asset managers owned by insurance companies, for example, often struggle to establish identities distinct from the parent, which can create difficulties in selling investment expertise and products. As a result, these firms often spend considerable amounts of time thinking about how they are perceived by clients and prospects.

Branding is also playing a bigger role in strategic planning among large asset management organizations composed of multiple affiliate companies or boutiques. In the past, many of these companies valued and even celebrated the independence of their various units, which in many cases retained their own independent brands. With the increased emphasis on comprehensive portfolio solutions and the growing demand for multi-asset products, however, these firms recognize the need not only to get their affiliates working together, but also to convey to the marketplace an image of a single firm operating across asset classes and strategies.

Greenwich Associates Measure of Brand Alpha

Some asset management firms remain skeptical about the value of branding. Many senior asset management executives have spent their careers on the institutional side of the business, in which the sales process is highly mediated in countries like the U.S. and the U.K., and in which success in all markets is largely dependent on the firm being effective in communicating its value proposition in face-to-face presentations with investors.

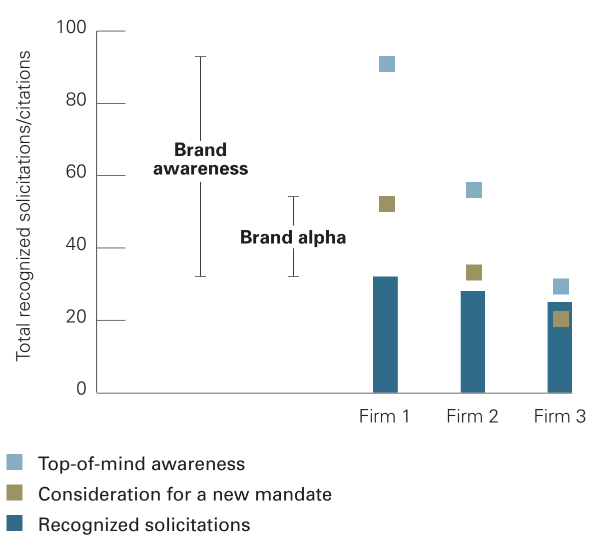
This paper documents the strong trends that are changing these dynamics and making brand a more important factor in the industry. But even firms whose business has yet to be affected by these trends will benefit from an added emphasis on branding. To understand why, it is useful to think in terms that come directly from the asset management business.

The concept of "Brand Alpha" refers to the amount of incremental sales opportunities a firm captures due to the strength of its brand. In our research with over 3,000 institutional investors globally, Greenwich Associates measures brand awareness and brand alpha through a comparison of top-of-mind awareness, consideration levels for new mandates and volume of recognized solicitations. For example, if 75 prospects say they would consider using a manager but only 50 recall a solicitation, the gap of 25 represents the number of prospects who are aware of the brand without any proactive solicitation on the part of the manager. This is the Brand Alpha.

The following graphic demonstrates potential brand alpha situations:

- Firm 1 has strong brand awareness and strong brand alpha—this is ideal
- Firm 2 has strong brand awareness but limited brand alpha—missing an opportunity for the brand to "do work"
- Firm 3 has neither strong brand awareness nor brand alpha—relying too much on active solicitations

Brand Awareness and Brand Alpha



What is an Asset Management Brand?

Greenwich Associates defines brand in asset management as follows: Communication of the firm's value proposition to external and internal audiences. Although that definition sounds simple, developing a brand that truly differentiates the firm from rivals is no easy task. Most people have a relatively clear notion of what constitutes a strong brand. Apple. Starbucks. Coke. Nike. Louis Vuitton. Ferrari. All of these brands evoke powerful images and convey characteristics and emotions that are deeply associated with the company and its product experience. All of these employ some combination of the physical building blocks of brand including logos, taglines, color schemes, and messaging that together convey a vision, emotion and a value proposition.

When it comes to building that kind of brand, however, asset management companies face some specific challenges: How do you "brand" investment excellence given the reality that outperformance never lasts forever? How do you "brand" a commitment to creating solutions that address clients' specific needs in a way that differentiates yourself from the hundreds of other managers looking to brand the same characteristic?

Of course, many asset management companies have created powerful, well-known brands. Vanguard's reputation as a premier provider of low-cost index funds is one of the most powerful examples. Most asset management firms that have succeeded in building well-known retail brands have done so with big-budget advertising campaigns aimed at attracting retail investors' retirement assets. Fidelity's "Green Line" campaign in the U.S. is probably the most recognizable at the moment. This campaign closely adheres to the sales principle of featuring the customer benefit: The advertisements and the brand focus on how working with the firm will benefit the consumer with little emphasis on how exactly the firm will deliver on this promise.

This technique falls short in other areas of the business, however. The reason: Institutional investors—as well as the gatekeepers who select funds for intermediary distribution platforms—are just as interested in the "how" as the "what." To have resonance in these channels, an asset management brand must directly speak not just to investment excellence, but also to *sustainable* investment excellence and the firm's wider service offerings. As the CEO of one major U.S. asset management firm recently told Greenwich Associates, a strong asset management brand must answer the question, "Is this a company I want to be doing business with five years from now?"

Consistent branding is not just important externally. It is also critical that internal staff understand how management wants the firm to be perceived. Building a consistent brand inside the organization will help keep professionals focused on things that contribute to the value proposition and will ensure that the correct value proposition is being communicated to the market by company employees. In addition, a strong brand can be a valuable tool in setting firm strategy. An effective brand not only conveys what the firm is and what it wants to be, but also what it does *not* want to be.

The Brand Development Process

Greenwich Associates uses a four stage process for developing, implementing and maintaining an asset management brand. That process, illustrated in the following chart, is explored in detail in the next sections.

Developing a Differentiated Brand

Defining the Brand

Since an asset management firm's brand is a finely tuned, relatable and distilled form of its value proposition and strategic vision, the first step in defining a brand is identifying the vision and articulating the value proposition. There are many ways to approach this exercise. In general, however, a firm's value proposition will arise from addressing two main areas: understanding the organization, including how it engages with clients, and articulating the key characteristics of the firm's investment function.

At the outset of a branding initiative, firms should have one-on-one or group conversations with employees in order to develop an honest understanding of the firm's capabilities, and to gather internal perceptions of the following **organizational factors**:

1. **Shape:** An organization's shape refers to its size, organizational structure and ownership. Many smaller firms must answer a critical question: Is our business built around one individual, be it the founder or a successful portfolio manager, and if so, how does that shape affect our value proposition and our brand?

2. **Orientation:** Is the organization investment-focused or sales-focused, retail-focused or institutional-focused, product-focused or advisory-focused? Even if you think you know the answer, ask the question.

3. **Culture:** What are the core principles that define or describe how your people interact and do business?

4. **Differentiators:** What factors differentiate the firm from competitors?

The second component of the value proposition is the investment function. Greenwich Associates continually reminds its asset management clients that a strong investment function—and a strong sales presentation about an investment function—is comprised of four "Ps": Philosophy, People, Process, and, last but not least, Performance. These are the factors that investors consider in assessing a manager's ability to sustain excellent investment performance. As such, all four of these elements—or at least the first three—can and should play a role in forming an asset management brand. Most asset managers have already spent significant amounts of time and resources trying to find the best way to present the strength of their investment functions to potential clients. For that reason, elements from client presentations and input from high-performing sales teams are essential ingredients for brand creation.

From a process standpoint, firms should assemble the findings from their research on organizational attributes and their messaging on the investment function as the raw materials for their brand. The next step is to select the characteristics that best embody and explain the firm as it would like to be perceived. Ideally, the firm will undertake this initiative with the assistance of an independent consultant to ensure consistency of unbiased feedback. Some smaller firms may believe they do not have the money to spend to engage a third-party and will opt to undertake this effort independently—this approach can be successful but will inevitably require more internal resources and draw away from other initiatives. Firms that do so must be diligent. When Greenwich Associates conducts an analysis like this, it applies a tested structure to internal conversations about the firm designed to produce usable results. In the absence of this framework, there is a real risk that the process will devolve into an endless series of debates or conversations about the nature and aspirations of the organization and that the end result will be too abstract or watered down to be effective.

What is most striking is the sheer variation in how individual firms draw on these common elements to create powerful asset management brands. PIMCO, for example, employed a mix of its people, philosophy, process, and performance to position itself as the world's pre-eminent investor in fixed income, reinforced by its original tagline "The Authority on Bonds," which has recently morphed into the all-encompassing "Your Global Investment Authority." The hedge fund Bridgewater has built its brand largely on the unique process and organizational culture that energizes its investment function, driven by the strongly held beliefs of its founder Ray Dalio. Culture is also the foundation of the Scottish firm Baillie Gifford's brand, but from a fundamentally different perspective. Baillie Gifford's image derives from the excellence of a staff that is uniquely loyal and geographically homogenous, with all employees of this large, global firm located in just one home office. The firm largely spurns lateral hires at any level, opting instead to hire direct out of university. The vast majority of the firm's senior leaders have spent most if not all of their career at the firm, having started at the bottom and ascending the corporate ladder into the partnership structure. The result is a perception of stability and a strength of culture that truly sets the firm apart.

Confirming the Brand

At this point in the process, a firm should have solid answers to the questions of who are we and who do we want to be. The next step is to test these conclusions in the marketplace. The firm should do this by gathering feedback from the market (clients, prospects and intermediaries) in order to assess whether internal views align with external perceptions and to identify any gaps between the two.

Through this process, the firm will begin to identify which organizational and investment factors truly contribute to the firm's overall value proposition and should therefore be considered as core pillars of the brand. Several years ago, one large global asset manager launched a new brand campaign centered around the idea of "independence" being a core value of a successful and appealing asset management firm. After several years of pushing this message and incorporating the idea into marketing materials, pitch decks and sales teams' stories, the firm finally tested the concept with its clients and prospects, only to find out that independence ranked low on the list of most important attributes. Winning firms will take this step before investing the time and resources to pursue a new brand strategy or message.

External research plays a key role in the branding process by:

- Acting as a reality check on internal assumptions
- Identifying gaps between how the firm wants to be perceived or thinks it is perceived and what clients, prospects and intermediaries actually think
- Identifying specific strengths, weaknesses and characteristics that are important to the external audience
- Assessing the relative importance of different branding attributes

The graphic below shows the main topics that should be covered when gathering feedback from clients, prospects and intermediaries and also represents the metrics that clients consider on the journey from awareness to advocacy.

Asset managers can and do collect such information themselves. However, clients, prospects and intermediaries often give more honest and open responses to questions about the firm when they are posed by a third-party, as opposed to the salespeople and investment professionals with whom they have existing relationships and therefore might not want to offend or disappoint. Just as importantly, independent consultants that specialize in financial services or asset management can bring to the engagement existing research that identifies key drivers of manager selection, pinpoints the characteristics that these external audiences associate with best-in-class organizations and, ideally, shows how the firm ranks against competitors in evaluations of these key criteria. These data points can provide an important roadmap for firms trying to refine their value propositions and craft a brand.

Brand Metrics in the Client Journey from Awareness to Advocacy

Basic Awareness:

- Competencies
- Capabilities
- Strategy

Becoming a Supporter:

- Attributes
- Relevance
- Differentiation

Becoming an Advocate:

- Knowledge
- Messaging
- Credibility

Activating the Brand

One reason some asset management executives are skeptical about the entire branding process is that many have been through branding initiatives that never produced meaningful results. A primary cause of such disappointments is the failure to see the program through to completion. Companies and consultants too often see the creation of the brand as the end-game. In reality, it's just the start. Brands and supporting messages are worthless if they are not supported by a carefully planned, proactive and sustained implementation program. Brands will not permeate the organization on their own. "Our first branding effort died because we did it and didn't do anything with it," admits the CEO of a U.S.-based global multi-asset class firm. "Now we have people in place throughout the organization to integrate the new brand into everything we do."

In many respects, implementation is the most important part of branding for asset managers operating outside of retail markets. In retail, branding implementation is a relatively straightforward, if expensive, endeavor incorporating the fundamentals of advertising and retail marketing. Branding in institutional channels is an entirely different pursuit. Here, the target client base is limited and advertising is a largely ineffective tool. Therefore, brand is communicated to the market primarily through client-facing teams. The CEO of a U.K.-based global multi-boutique manager went so far as to say that an institutional brand is nothing more and nothing less than what client-facing teams say to the marketplace.

For that reason, implementing a brand in the institutional business requires, first and foremost, a dedicated program to integrate the new brand and messaging into the presentations of client-facing teams at all levels and to train these professionals on how to communicate the newly defined value proposition. But ingraining the new brand into the firm and its operations requires an even broader effort. It is critical to establish a multi-disciplinary work stream that ensures processes and teams are aligned, compensation structures motivate desired behavior and buy-in starts all the way at the top of the organization to influence strategy and filter down through the ranks and all functional groups.

One effective technique in brand implementation is the use of "brand champions" or "brand advocates." These are individuals from every level and function of the firm who are trained on how the new brand, value proposition and messaging is to be employed. These professionals are deployed throughout the organization with the mandate of assimilating these concepts into the firm's daily work.

These advocates will need the vocal and sustained support of senior management. With the roll-out of any new brand comes a surge in momentum that is exciting, but frequently all too brief. Once the new branding is incorporated into marketing materials and sales presentations, reversion often takes hold among staff and new messaging can quickly fall into disuse.

Brand champions within the individual business units are a good protection against this risk and an effective tool for maintaining momentum. But the efforts of these advocates will fall short without the clear and vigorous backing of senior management. Brand utilization should become a top priority metric that management assesses continually at the group and, where possible, the individual level.

The heart of this effort should be a Branding Committee that includes the owner and CEO, along with key executives from sales, investments and marketing/client service, as the firm's brand can, and should, influence the firm's overall business strategy. After determining the final brand construct, this Committee will have three main functions:

1. Creating and maintaining centralized, consistent messaging that is used to support the brand throughout the firm and is reflected in all standard reporting, website, PM and RM dialogues, and thought leadership materials

2. Overseeing the implementation of the brand throughout all the firm's business operations

3. Monitoring and maintaining both the relevance and consistency of the brand going forward

Leveraging Thought Leadership

Asset managers can and should breathe life into a new brand by supporting it with an active thought leadership campaign. Most asset management companies have engaged in some form of thought leadership, which is nothing more than leveraging the firm's intellectual capital to strengthen the brand, deepen client relationships and generate sales leads. The mission of thought leadership is to demonstrate or even deliver value to prospects before a sale is made or outside the strict bounds of an investment mandate, with the goal of generating interest and conveying expertise. Thought leadership is a broad term that can encompass speeches, media appearances, white papers, seminars, webinars, social media, and other channels.

Thought leadership provides solid support for a new brand if properly constructed and employed. The initiative must be rooted in the core elements and characteristics of the brand and the value proposition. It must contain content that is customized to the firm's target audience and compelling enough to break through the noise and engage this constituency. This can be achieved by personalizing materials for intended recipients to the fullest possible extent.

Bill Gross has been a master at using thought leadership as a brand-building tool. By maintaining an aggressive campaign of media appearances, letters to investors, Op-Eds, and other communications, Gross built the public image of being one of the world's foremost experts on fixed income and of PIMCO as the indispensable firm in that market. This combination of ubiquity and credibility achieved the ultimate thought leadership goal: creating such a clear and powerful brand image that investors felt like they *should* be doing business with the firm.

Best Sources of Intellectual Capital: Fixed-Income Managers

- PIMCO
- J.P. Morgan Asset Management
- AJO (Aronson + Johnson + Ortiz)
- BlackRock
- Wellington Management
- GMO
- Research Affiliates
- Goldman Sachs (GSAM)
- Russell Investments
- Pyramis Global Advisors (Fidelity)

Thought Leadership Best Practices

How Thought Leadership Supports the Firm	
1	Elevates the perception of the firm as an industry expert
2	Increases mind-share with clients, prospects and consultants
3	Helps communicate / reinforce firm's value proposition
4	Supports the distribution team sales efforts

Distribution of Thought Leadership
Targeted: Needs-based client segmentation drives distribution
Personalized: Sent from sales team or relationship manager
Timely: Ensuring content is relevant to current market events

Monitoring the Brand

Asset management firms that have diligently worked to implement a brand should be able to move seamlessly into the next critical phase of brand management. As with any other business strategy, the key to managing a branding program is consistent monitoring to ensure the initiative is delivering the desired result. The following chart identifies the metrics firms should monitor on a regular basis by gathering feedback from clients, prospects and intermediaries to ensure that the branding campaign is effective and that the brand remains relevant and fresh.

Brand Metrics to Monitor

Top of Mind Awareness →	Which firms/providers come to mind with respect to certain attributes, products, capabilities, or segments?
Knowledge →	What do clients and prospects know about the caliber of the people and the capabilities/strategy of the firm?
Relevance →	Which firms/providers would be considered for additional business and what is the perception of value?
Differentiation →	How are firms/providers differentiated on people, solutions, credibility, risk management, education, ideas, etc.?
Messaging Effectiveness →	How effective are efforts to communicate particular messages and how well do brand statements represent the ideals of the firm?

Conclusion

Several large asset management clients of Greenwich Associates have identified branding as one of their top strategic priorities for 2014 and beyond. The growing importance of branding is reflective of the rapid evolution of the asset management industry in the post-crisis era. Client demands, global asset distribution and the competitive landscape are all undergoing dramatic change. In response to these changes, managers are pushing their businesses into new geographic markets and into intermediary and retail channels in which name recognition plays a significant role in asset flows. In the institutional market, investors' desire for advice and support offers large, new opportunities for firms able to position themselves as providers of counsel and holistic solutions. However, getting in front of those investors is harder than ever due to the time pressures facing staff at resource-constrained institutions. In this environment, a strong brand that communicates a firm's value proposition to the marketplace can be a critical asset to both large and small managers alike.

Given the fact that, until now, many asset managers paid little attention to branding, it is imperative that firms approach the task of identifying and developing their brands strategically. That process should begin with gathering internal and external information that will be used in creating a brand platform incorporating basic elements such as the value proposition that will serve as the foundation, as well as supporting messages, logos, tag lines, and other materials. The completion of the brand itself represents only the start of the process, however. To a large extent, the success or failure of a branding initiative will be determined by the company's effectiveness in implementing the brand into the organization and its workflows, and in monitoring the brand over time to ensure it remains consistent and relevant. Ideally, that process will be guided by an experienced independent consultant. Smaller firms without the resources to hire consultants must impose a structure to the process that pushes conversations about the value proposition to an "actionable" conclusion and includes a detailed plan for integrating the new brand into the entire organization, understanding that this will take considerable time and focus.

Firms of all sizes that apply such a rigorous process and succeed in projecting into the marketplace a strong brand that communicates a compelling value proposition will be poised to reap the benefit of "Brand Alpha"—a level of awareness and demand that exists independent of direct solicitations and enhances the effectiveness of the sales effort overall. These firms will also benefit from the time and resource savings of the brand "selling itself"—a critical shortcut in today's complex and opportunistic market environment. ■

Greenwich Associates

Strategic Advisory Services

Our Strategic Advisory team helps our investment management clients respond to business challenges and develop strategic solutions. By combining our extensive experience with detailed data from our annual research programs, we provide a unique viewpoint on:

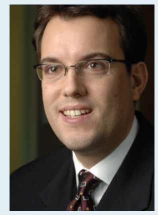
- Drivers of success
- Best-in-class firm characteristics
- Metrics that gauge progress
- Effective processes to grow business
- Alignment of the organization with global standards

By applying this knowledge to the businesses of individual managers, Greenwich Associates has the unparalleled ability to assist organizations as they address important questions related to structure, business development, compensation, product development, marketing, sales, distribution, and client service in the investment management industry.

Typical strategic advisory engagements include:

- Global expansion
- Growth strategy
- Client retention strategy
- Business assessment
- Product assessment
- Product messaging and marketing
- Acquisition strategy
- Organization structure
- Compensation structure
- Succession planning
- Distribution structure and staffing
- New business strategy and communications

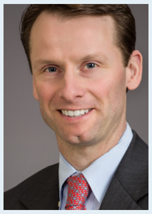
Our Consultants



Marc Haynes

Marc is the leader of the Firm's global Investment Management practice and is also responsible for managing relationships with a number of leading asset managers, investment and benefit consultants and DC pension providers in the U.K. and Europe. He has deep experience serving CEOs and their leadership teams on a wide range of growth and distribution issues and in addition to providing consulting around Greenwich Associates regular benchmarking services, Marc has led recent advisory engagements in global opportunity assessment, business strategy development and product messaging. Marc oversees the Firm's work with investment consultants globally and also leads the Firm's defined contribution research in the U.K. Marc frequently delivers keynote presentations at industry conferences and is often quoted in mainstream and industry publications.

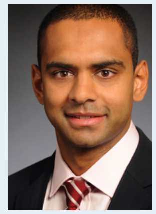
Before joining Greenwich Associates in 2008, Marc headed up the life and pensions investment business at Friends Provident in London, where he set the strategic direction for its investment proposition, controlled its fund platforms, supervised a group of external investment management firms, and managed its flagship fund of funds portfolios. Previously, he held a number of distribution roles at Schroders. Marc received his MA in International Business (first-class honors) from the University of Edinburgh.



Andrew McCollum

Andrew is responsible for managing relationships with a number of leading asset managers, investment consultants and other service providers in the U.S. and Canada. With more than 15 years of consulting to the asset management industry, Andrew has experience advising clients on a variety of distribution, marketing and product issues. He has recently led advisory engagements on global growth assessments, entering the institutional market, brand equity analyses, product positioning and messaging, thought leadership program design and execution, and private equity fund raising. He has also authored studies on opportunities and threats in the outsourced CIO market, trends in the ETF marketplace and developments in the defined contribution market. In addition, Andrew oversees the Firm's work with institutional investors in North America and the subscription-based information service, Greenwich ACCESS for Asset Managers.

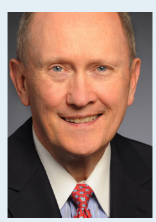
Before joining Greenwich Associates in 2009, Andrew was a managing director at Chatham Partners where he was responsible for managing the company's research and consulting relationships with asset managers and defined contribution recordkeepers. Prior to that, he worked in the Financial Services and Corporate Strategy Practices at CEB (Corporate Executive Board) advising firms on strategy development, strategic planning, M&A, and competitive intelligence, among other topics. Andrew received his BA in Political Science from Cornell University and his MBA from the Kellogg School at Northwestern University.



Abhi Shroff

Abhi leads the Firm's Asian-ex Japan business and manages relationships with investment management clients. He advises the leading asset managers in the region on a variety of topics including distribution, marketing and product development. Abhi also frequently leads advisory engagements to help asset manager develop their market entry strategy for Asia. Given the importance of SWFs and other government agencies in the region, Abhi regularly meets with these institutional clients to understand their investment needs and to provide advice on portfolio topics. He is a frequent speaker at industry and investor conferences.

Prior to joining Greenwich Associates in 2007, Abhi worked with UBS Investment Bank in London. He began his career as a consultant with PricewaterhouseCoopers Consulting, delivering client solutions in the Australian and Asian retail banking and asset management sectors. Abhi received his MBA (graduating with distinction) from the London Business School and his Bachelor of Business from Monash University in Australia.



Rodger Smith

Rodger leads the Strategic Advisory team that assists investment managers in responding to business challenges and develop strategic and change-oriented solutions. As a consultant at Greenwich Associates, Rodger launched the Firm's international business, has worked with investment managers around the world for more than 30 years, and has deep experience advising on overall strategy, franchise building initiatives in local markets and globally, product positioning and articulation, and strategies to strengthen client and consultant relationships. Rodger has authored numerous articles and is a frequent speaker on the investment management industry globally.

Before joining Greenwich Associates in 1976, Rodger was vice president of investment for Allis-Chalmers, where he managed the firm's pension fund, managed equity assets internally, and supervised a group of external investment management firms and custody banks. He is chairman of the Trust Advisory Committee of Tau Beta Pi and chair of the Dean's Advisory Board at the Wisconsin School of Business. Rodger received both his B.S. in chemical engineering (with high honors) and his MBA (with distinction) from the University of Wisconsin.

Taeko Sumiyoshi

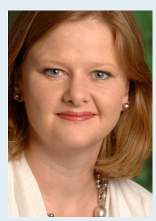
Taeko advises the leading asset managers—Japanese and foreign managers active in Japan—in both institutional and retail businesses. She also plays a role of relationship manager for the Firm's research programs. For Greenwich Associates Japanese Institutional Investment Management research, she interacts with Japanese public and corporate pension funds as well as financial institutions outsourcing fund management to external managers. For the Firm's Japanese Retail Investment Trust research, she is a relationship manager for major distributors of retail investment trust products.

Before joining Greenwich Associates in 1996, Taeko worked as a research associate at Columbia Business School's Center on Japanese Economy and Business, and as an Asian Practice Consultant for the M&A team at Shearman and Sterling, a New York-based law firm. Taeko holds a BA from Sophia University (Japan) and a MA/Ed.M. from Columbia University.

Tomio Sumiyoshi

Tomio leads the Firm's Japanese business and consults with investment management, corporate finance, fixed-income, and equity clients.

Prior to joining the Firm, Tomio was a lecturer at Columbia University and worked at a New York investment advisory boutique before founding Paragate Consultants. Tomio received his BA and MPhil from Sophia University (Japan) and his MA/Ed.M. from Columbia University.

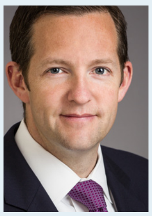


Lydia Vitalis

Lydia is responsible for managing relationships with a number of leading asset managers and investment consultants globally, with a focus on clients in the U.K., Germany and across Continental Europe. In addition to providing consulting around Greenwich Associates regular benchmarking services, Lydia has led recent advisory engagements on business development, market entry and product messaging. She also oversees the Firm's work with institutional investors across Europe.

Lydia has more than 20 years of experience in asset management. Before joining

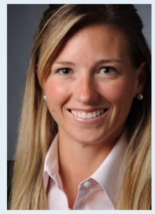
Greenwich Associates in 2011, she was the deputy head of European product development at J.P. Morgan Asset Management, focusing on the development and implementation of investment funds for multichannel and cross-border distribution. Prior to this she worked in a variety of product development, strategy and marketing roles at BlackRock, Merrill Lynch Investment Managers, HSBC Asset Management, and Citibank. Lydia received her MA in Geography from Oxford University.



Davis Walmsley

Davis consults with investment managers in North America on a variety of distribution, marketing and product opportunities. Davis is currently working on several engagements focused on evaluating client satisfaction, sales effectiveness and brand awareness.

Davis has extensive experience advising investment managers. Prior to joining Greenwich Associates, he worked as a director in Barclays Investment Banking FIG practice where he provided M&A and capital markets advice to asset management clients. He conducted a research study and authored a paper focused on how investment managers build and sustain franchise value. Previously, he helped found the Strategic Advisory Group within Lehman Brothers' Prime Services group, which provided management consulting services to the firm's hedge fund clients. Davis received his BS in Finance and Economics from Lehigh University and his MBA from the Harvard Business School.



Sara Sikes

Sara is responsible for developing relationships with leading investment consultants in the U.S. as well as with asset managers and other industry participants around the globe. In addition to consulting with clients around syndicated annual studies, Sara is also responsible for coordinating and executing custom advisory engagements. These projects are designed to help clients solve unique and/or complex business issues, or to gain a deeper understanding of their clients' and prospects' preferences and perceptions. Recent engagements have focused on multi-boutique branding approaches, client reporting strategies, global trends in the ETF marketplace, defined contribution plan design components, PE investor preferences, and various other unique business challenges.

Before joining the Investment Management practice, Sara was a Research Associate within the Firm's Corporate Banking division. Sara received her BA in Economics (with honors) from Middlebury College. ■