



SunStar FUNDFACTOR

Story Development Media Training Positive News Coverage Reprint Distribution

Seven deadly myths about distribution for undiscovered and emerging funds



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Myth 1: If we build a better mousetrap, investors will come.

Truth: Investors and advisors need to believe your fund is better than the alternatives. Credibility is earned over time and enhanced when you are acknowledged or recommended by other trusted people in the industry or financial press. Think of the Dyson vacuum, the first built with a bladeless fan. If not for an incredible job at building brand image and awareness, it would appear to be a very odd looking vacuum cleaner indeed.

Myth 2: Our performance speaks for itself.

Truth: Perhaps this is best likened to the image of the proverbial tree that falls in the woods. Does it make a sound? Probably, but with no one to hear it, there's not much impact. And, unfortunately, fame generated by performance this quarter may or may not be sustainable as others jockey into position. Even with five stars, your fund is one of twenty percent of all funds easily lost in the crowd without a noteworthy story to make it memorable. And hundreds of five-star funds with long histories have few assets. Performance-sold funds are also subject to performance-chasing investors, not long-term loyal investors typically sought after by fund companies. Bottom line: performance without a sustainable identity and wide-spread distribution system is just not enough.

Myth 3: Getting on the main platforms will drive investors.

Truth: Getting on the platform is just a good beginning. Remember, funds are sold not bought and selling to investment professionals is every bit as important or more so than selling to the public. Working the platform relationships can be a full-time job to ensure you are noticed. Even if you can't afford a wholesaling staff, you can direct specific marketing programs like webinars and emails to an advisor set. In addition, many platforms offer access to their advisors through internal communications, post cards and more. Be sure to ask your platform relationship manager about this. Letting the public know you are available through specific platforms also makes your fund more attractive and convenient to purchase.

Myth 4: We have a nice Web site.

Truth: It may be nice, but don't settle for a Web site that looks and sounds like your prospectus. And if your most timely communications is your latest shareholder report, read on. Most of us rely on the Internet for everything from researching good buys on electronics to checking the spelling of a word in a family Scrabble game. Google and Yahoo! -- words and services that have taken over our vocabulary -- are the first place just about everyone goes to gather information. Your Web site is your face to the world, which is immediately and always accessible. It's an opportunity to showcase your brand, let investors know about your better mousetrap, your performance, the platforms you're available on and where you see investment opportunities today. Offering timely information and links to credible stories about your managers and funds in the press is invaluable and keeps people coming back.

Myth 5: We're too small to get positive press coverage on a regular basis.

Truth: Reporters like discovering and writing about overlooked mutual funds. Many prefer smaller funds with managers who are smart - and accessible. Proactively telling your story and building relationships with the press may be the single, most cost efficient, results-generating marketing you can do. The media, unlike other sales and marketing efforts, attracts investors directly and provides a third-party endorsement that can be reused over time to add credibility. It isn't unusual for funds with just a few million dollars to hundreds-of-millions of dollars to grow significantly with a news generation program as a key strategy.

Myth 6: Investors understand our investment process.

Truth: If you've articulated your process in plain English and ensured that everyone in your shop tells it consistently, congratulations. More often than not, everyone has their own twist on the story. And, because you live and breathe the process every day, it's easy to get caught up in all the intricate- and important- details and jargon. But to the advisor and investor, these details and jargon can be overwhelming and distracting. A succinct, well-articulated story that emphasizes what makes you different will make you memorable. Advisors need a handful of bullet points that outline your disciplined, repeatable process so they can share it with their clients on your behalf.

Myth 7: There is nothing we can do to grow our fund, even though it is good.

Truth: Don't sell or liquidate it yet. We have seen numerous virtually "undiscovered funds" go from survival to revival in as little as six months. It's not always that quick or successful, but you can do things to put your fund on the map. Many of the strategies are found in the "truths" above. A virtual distribution program can be an effective way to get the word out at a reasonable expense. In six months, for example, you can tell your story to plenty of influential reporters at national publications over the phone and in-person, resulting in press coverage. Or you can offer webinars and e-marketing letters to advisors resulting in direct communications with new and existing advisors. These activities help tell your unique story and can drive investors and advisors to your Web site or the platforms. Assuming you already are on some major platforms, you can quickly find out how to take advantage of their internal marketing systems

As we approach plan, consider which of the above myths your firm believes. Resolve to take a closer look at what the truth might be and take the steps to make real progress in your distribution program.

Learn more about how SunStar can craft marketing strategies specifically tailored to your company or your funds, implementing all of the latest cutting-edge trends in interactive and multimedia marketing, including video.

SunStar can help you grow in this competitive environment. Call us at 703.894.1046 or visit www.isunstar.com



SunStar: One of Inc. Magazine's 5,000 fastest growing private companies in America in 2007, 2008 and 2009.

SunStar works with retail and institutional investment managers and mutual fund firms to attract investors, strengthen distribution and build brands through structured news generation programs and smart marketing. We know the industry and the reporters who cover it. We also understand the often challenging legal, regulatory and compliance issues facing clients.

Find more about smart marketing and successful public relations campaigns in our blog: FundFactor.net