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Assets under management are down for nearly all firms due to market depreciation. And making matters worse, most funds have also seen outflows. But a few firms have actually seen positive flows. According to Strategic Insight, only about 22% of equity mutual funds had inflows for at least four of the last five months of 2008.

We spoke with executives from four of these funds whose outstanding shares are at or near record highs. In our article, these firms, who also work with SunStar for marketing and public relations consulting services, provide you their best practices and ideas to grow market share despite current treacherous market conditions.



Dan Sondhelm

Four Funds, Smart Strategies.

Jensen Portfolio (Jensen Investment Management), Auer Growth Fund (SB Auer Funds), Croft Value Fund (Croft Funds) and James Balanced: Golden Rainbow Fund (James Investment Research) are four mutual funds that have seen continued investor interest, adding new money to their funds despite the market's pullback. How are they doing it? Each fund manager agrees that the linchpins in their strategy are smart marketing, consistent public relations strategies and close contact with their advisors and retail investors.

PR is King.

Dave Mertens, Jensen Investment Management principal for sales and marketing, has watched other funds cut staff, media exposure and client services. But as exposure and client services go, so go the clients.

"Don't kid yourself," he says. "Performance is important, but it comes from an investment discipline and sticking to it. We are first an investment firm, marketing is second. You have to get better to get bigger, not the other way around."

Mertens' marketing approach for the Jensen Portfolio is eloquent in its simplicity. "We believe in transparency, so people know what to expect." They haven't done anything differently in talking with the public during these trying times. Rather they've stayed consistent in message and visibility.

Keeping the fund's name in the media drives more financial professionals and prospective investors to its site. So, Jensen is investing marketing dollars in a re-launch of a more fluent, easier-to-navigate Web site.

“We feel our Web site will set us apart,” says Mertens. “We’ll be adding periodic white papers and reporting significant changes in our holdings.” Mertens is committed to developing the Web site to target the specific needs of his investors and tailor it to meet those needs.

“If anything, we’re going to ramp up our public relations and marketing in 2009,” adds Mertens. “We’re going to be out there even more to alleviate market concerns and fears.” That strategy includes quarterly phone calls to investors, more media exposure, periodic white papers and conversations with the press. Jensen provided media training for its entire staff and has plans to revisit the program every few years to ensure everyone stays on message. “We conduct a media tour in New York once a quarter. Talking to the press is a lot like selling. Your presence needs to be continual and visible.”

Making Sparks Fly.

Robert Auer likens his fund’s marketing initiatives to spark plugs in the engine - your car won’t start without them. But even with the best spark plug, all the other parts must be in good shape or the car still won’t run. For Auer, public relations was the spark that set off a chain of events that allowed the Auer Growth Fund to add significant new shareholders and new money from existing investors in the fund’s short history.

“At first, I thought trade shows were a waste of money. But, then I attended a Morningstar conference and met with reporters for a set of interviews at the on-site press room. One of those interviews was posted online and was ‘accidentally’ seen by a potential investor who is now our largest shareholder.” Auer advises firms to be “out there.” He suggests that firms not only attend shows, but also purchase the attendee lists and strategically mail something about their fund before and after to pique financial advisors’ interest. He’s found advisors mention they are stopping by the booth because of the mailings.

Distribution. Distribution. Distribution.

Distribution on the major platforms like Schwab, Fidelity and the rest are essential parts of making all the parts fit together. Auer’s also supplementing those efforts with trade shows, a newly revamped Web site and frequent conversations with the press and investors. “But to be effective,” he reminds us, “Web sites need continual new content.”

“Cultivating deep relationships with professional journalists is key in attracting the interest of financial publications. We do a quarterly media day. Then we take our best interviews with reporters from CNN, CNBC, Bloomberg, Wall Street Journal and more and post them to our Web site,” says Auer.

Recirculate and repurpose.

Recirculating that content has also created a buzz around the Auer Growth Fund. “We let all advisors who’ve expressed an interest in us know when we’ve been quoted in the press. You never know when something will resonate. We think of it as building a giant spider web.”

Asked what he’ll be doing differently in 2009, Auer says, “Our conversations have a much more focused message today. We’re stressing that it’s important to have realistic expectations in this market. We’re reminding investors that this is not a short-term investment.”

Auer points out that his investment process, which he has used for over 20 years managing individual accounts, has outperformed the market by as much as 30% many years. “But, the market is a bucking bronco and you have to be able to handle it,” he cautions.

They keep on talking and talking and talking...

“Don’t hide.” That’s the watchword from Jeff Battles, Director of Marketing at James Investment Research. “Clients aren’t pointing fingers and saying ‘you were right or wrong;’ they’re grateful for whatever you can do to explain and reassure. Right now, people are very anxious. Much as we’d like to, we can’t call each of our shareholders and hold their hands as the market continues to gyrate, so we talk to the larger audience as frequently as we can.”

In fact, they’ve talked to them daily for over ten years!

Three portfolio managers at James take turns doing a 12-minute spot on a daily radio show in Dayton, Ohio, answering a handful of questions posed by the show’s host. The managers comment on the day’s expected economic and business news.

“The segments are deemed ‘extemporaneous conversation,’ so compliance has not been an issue,” says Battles. “The name recognition is invaluable.” Dayton’s prime FM news station airs a two-minute clip of the interview same day at the end of drive-time that includes an introduction and call to action. The interviews continue to work for James for five days, where they are accessible on the advisor’s Web site.

James is a big believer in PR. Since 2003, they’ve averaged 125 positive news items per year, ranging from quick quotes to feature articles in Forbes and Smart Money to live appearances on CNBC and Bloomberg. In 2008, they hit 140.

Research and share.

Beyond traditional PR, the firm authors special studies (white papers) at market inflection points. This, too, is a long-time practice dating back to 1972. Dr. James, the firm’s 77-year old founder, wrote twice as many as usual in 2008. Each weekend, the firm pulls data on 100 macro-economic factors, peppered with additional research. A member of the James family reviews the information and prepares a one-page paper that becomes the marching orders for the investment group on Monday morning. Later in the day, a synopsis of these insights is e-mailed to several thousand investors. “It’s all about communication,” adds Battles.

In 2008, for the first time, they professionally videotaped their speakers at a 36-year running annual forecast reception for advisory clients. The video was then posted to their Web site and 5000 DVD’s were mailed out, complementing a four page glossy summary handed out at the reception. For 2009, Battles says they’ll be doing more of the same—sharing information and staying in front of the public.

So, what works best?

In Battles’ opinion, there are four factors that are an essential starting point:

- 1) Good performance,
- 2) Research-oriented team,
- 3) Portfolio managers willing to talk and explain and
- 4) Ears and eyes dedicated to marketing.

That said, “apply discipline, it’s too easy to let these programs slip,” he cautions. “When that media tour day arrives, it may be too cold or too hot, the managers may be too busy....but it is so important to stay out there. You’ve got to publish according to the promised schedule, whether you want to or not.”

E-Value.

When asked what Croft Value Fund was doing differently when talking with investors recently, Russell Croft, Portfolio Manager offered, “Communicating more frequently.” Croft is focusing on providing shareholders more educational information to help calm their fears. They aren’t writing lengthy newsletters, rather, short to the point communications. Many are just announcements and bullet points to let people know their thoughts on what’s going on in the market.

“We’re presenting much of this information through frequent e-mail campaigns.” They keep a quarterly schedule, but when market events dictate, they are quick to communicate. E-mails are one of the most cost effective ways to keep your firm’s name and message in the forefront of investors’ minds, at the same time responding with a timely and focused message to new market developments.

Committed to public relations.

These initiatives ensure that his fund stays in front of the financial media, offering insight and value to investors. They do a monthly media tour, meeting with journalists from four or five publications each time. “We’re staying with the same programs we had, taking reporters’ calls when we can and maintaining good relationships.”

“If you are small like us, the best lessons are learned by listening to the experts. Take advantage of their experience. Then, create a plan and stick to it. We’ve found it absolutely does work to stay in front of the media,” Croft says. “Our profile story in Barron’s definitely contributed to our inflows. Our best advice is to keep talking to everybody; you never know when the editor will want to profile your fund.”

This, Too, Shall Pass.

When the volatility of today’s market crisis passes—and it will pass—funds that have stayed the course, just like investors, will come out ahead.

Call us at 703-894-1046 to discuss how SunStar can help you achieve recognition in this competitive environment.



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](#)