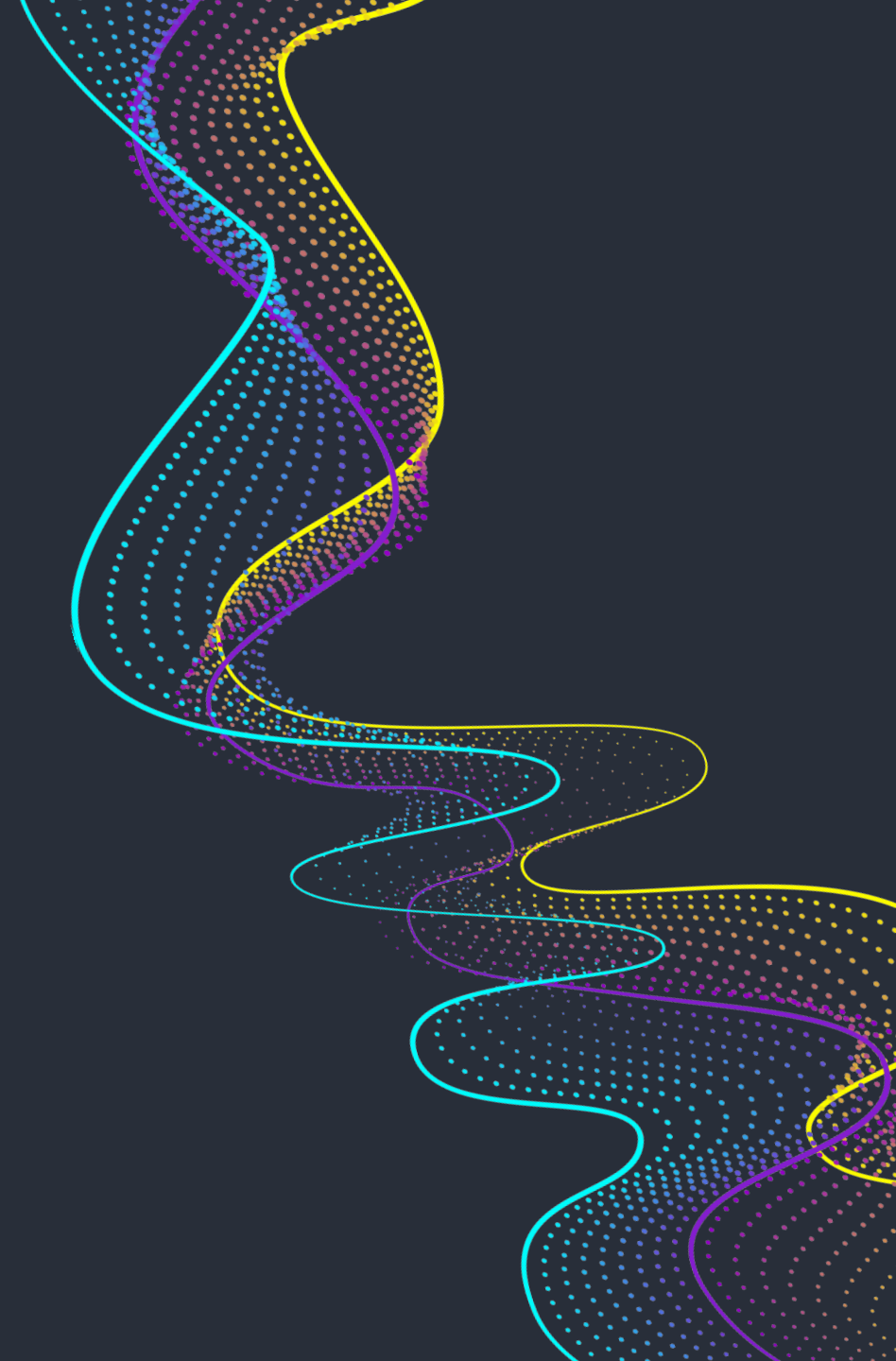




# THRIVING IN ASSET MANAGEMENT

Warren Miller  
October 8



# Hi, I'm Warren

- Current Managing Director - ISS Market Intelligence
- Founder & Former CEO - Flowspring
- Former Head of Asset Management Software – Morningstar
- Former Head of Quant Research - Morningstar



# So you want to be more competitive?



## Product

- 100% controllable
- Long-term, durable success



## Marketing

- 100% controllable
- Medium-term, durable success



## Distribution

- 100% controllable
- Short-term, durable success



## Performance

- 0% controllable
- All-term, transient success



Imagine you are **required** to charge 5% net expense ratio for your fund

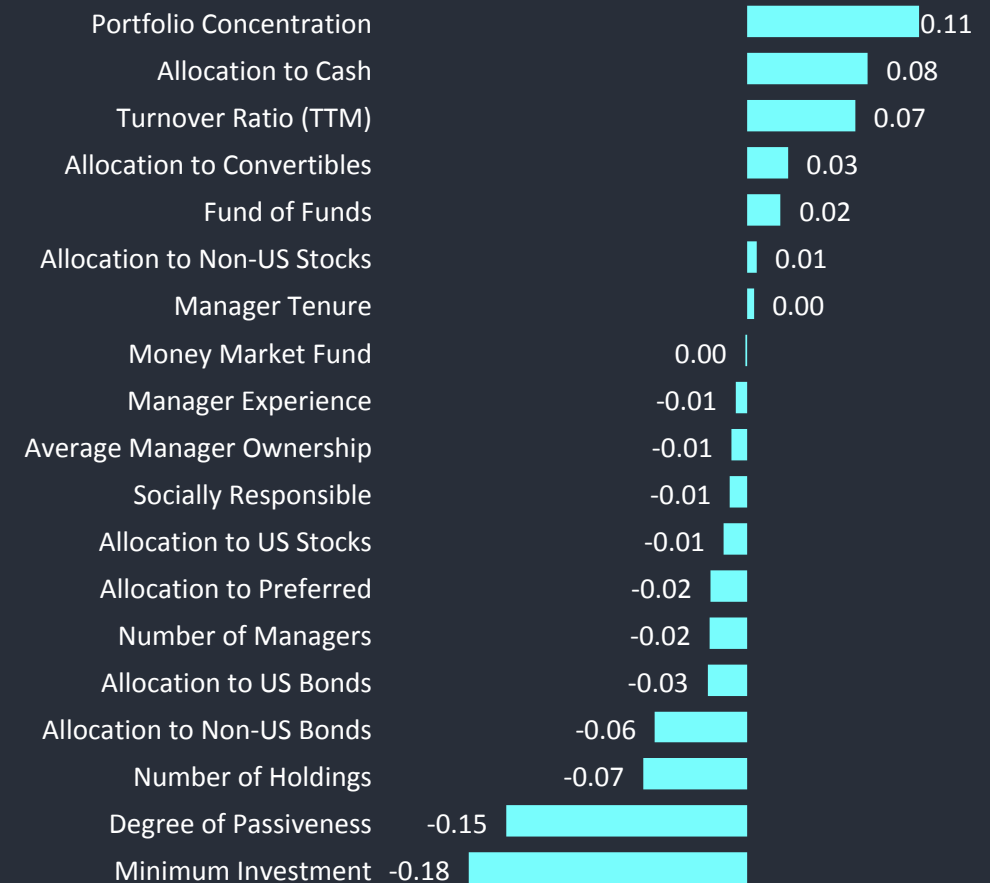
What does that fund have to look like to bring in assets?



# Nobody pays more for more of the same

- Differentiate consistently
- If your answer is to generate an unrealistic amount of alpha, go back to the drawing board
- If you're active, be **ACTIVE**

Pricing Premia Earned in 2020



## Being active does present a headwind...

When an **active** manager significantly underperforms:

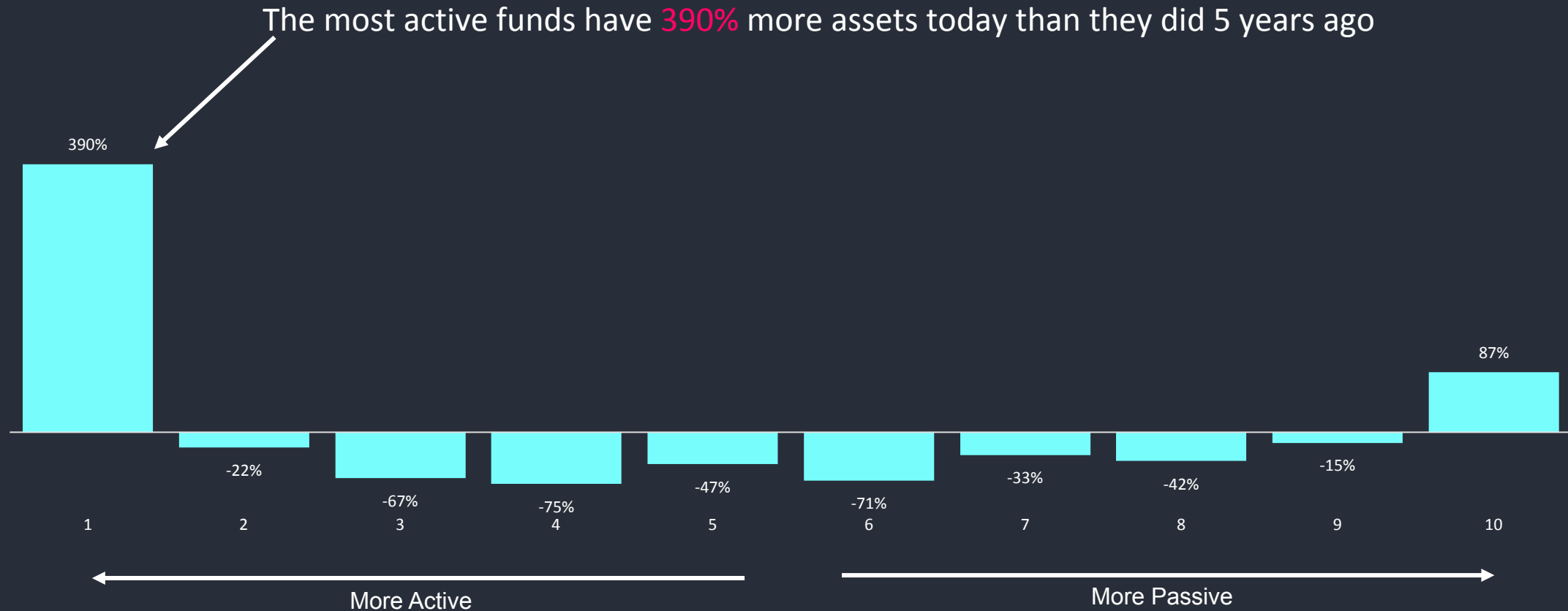
For every \$1 that walks out the door, \$0.73 goes into a **passive** fund

When a **passive** manager significantly underperforms:

For every \$1 that walks out the door, \$0.33 goes into an **active** fund

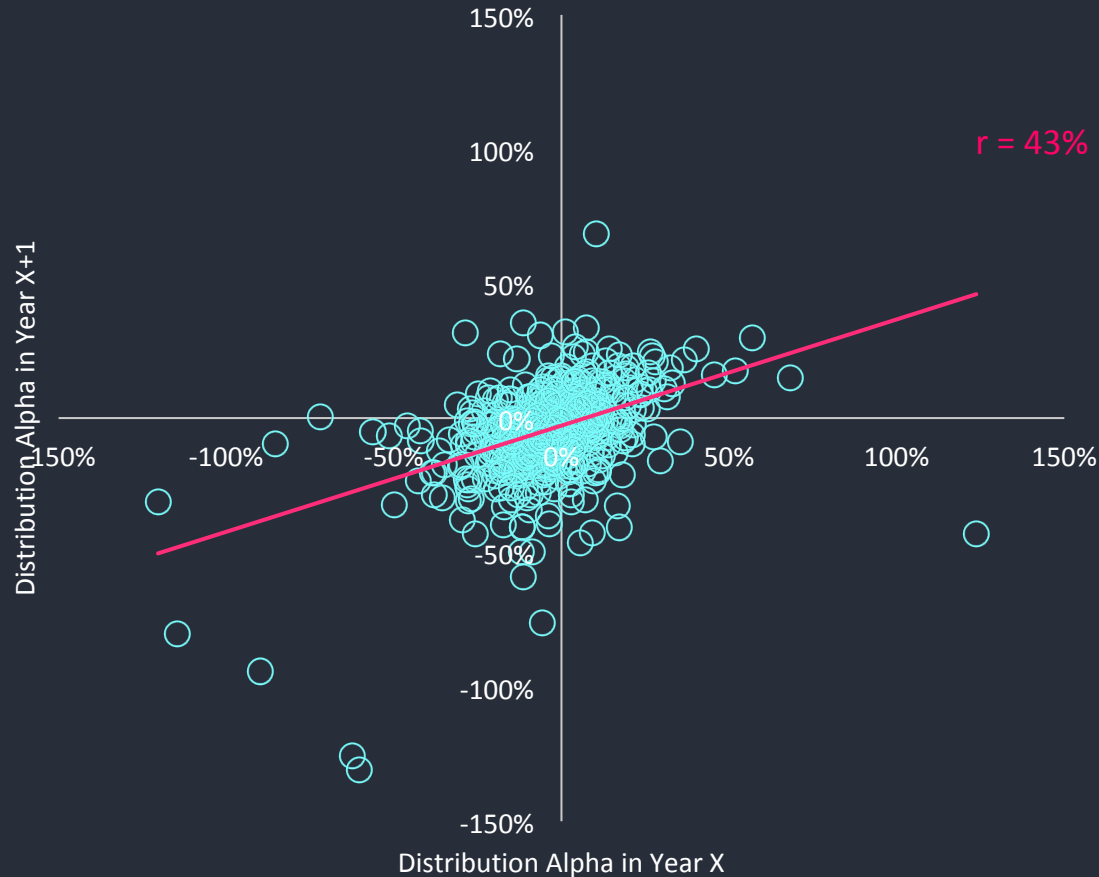


...But that headwind is directed at “active” not **ACTIVE**





# Funds don't sell themselves



- The game is getting harder
- Think about distribution  $\alpha$
- Message **consistently**
- Organize & adapt around your target audience





# The magic happens in the white space



## Product

- 100% controllable
- Long-term, durable success



## Marketing

- 100% controllable
- Medium-term, durable success



## Distribution

- 100% controllable
- Short-term, durable success



## Performance

- 0% controllable
- All-term, transient success



# So what happens in the white space?

## Consistency

- Across products
- Across channels
- Through time

## Make better decisions

- Build a data & analytics strategy
- You're either using data, or it's being used against you

## Set & meet expectations

- Avoid churn
- Bring investors in the right way
- Build an identity



# You've gone head-to-head with the biggest

