

Are Undiscovered Mutual Funds Plagued by “Yelling in a Stairwell?”

By Hibre Teklemariam
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I love this phrase “yelling in a stairwell” because it reminds me of undiscovered funds who have been in existence for many years with superb performance, but no one has ever heard of them!

The primary factor holding these fund firms back from growing assets seems to be a mentality of “build it and they will come.”

Sadly, NO, they won't.

Why?

Because no one has heard of them, so they sit there year after year with little AUM and wonder why their assets aren't growing or the fund is not meeting its full potential in AUM. Not to mention, in a sea of not-so-great funds, investors would welcome undiscovered funds with a long term track record of success as people struggle to save for retirement in the current market environment.

To make matters worse, the largest firms “consume” approximately 80 percent of all flows. The remaining 600+ mutual fund firms have to compete for the remaining 20 percent – quite an uphill battle. It's daunting for small firms to go head-to-head against large firms stocked with a multitude of internal and external wholesalers. That's why smaller firms are turning to strategies to help them stand out from the crowd.

Content marketing by way of “thought leadership” has been one way that asset managers are marketing themselves and distributing their content through a variety of channels with the goal of capturing interest from advisors, investors and gatekeepers. According to a study published in *The Cerulli Edge – Global Edition*, in 2015, 78% of small and mid-sized asset managers increased their marketing budgets towards this end.

Check out SunStar Strategic's [Fund Factor article](#) for additional strategies for getting discovered.

