

aimse • [advisor]

Journal for Members of the Association of Investment Management Sales Executives Summer 2009

from the [president]

I am honored and excited to lead AIMSE over the next 12 months and attempt to give back to the industry that has been so good to so many of us. My singular goal during this time will be to focus our resources on delivering value to you—our AIMSE member.

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AIMSE is the only not-for-profit institutional sales association in the country. As you may know, our reason for being is threefold:

Education: Provide educational forums for our members to learn and grow in their role

Access: Provide access to institutional consultants, plan sponsors and other asset allocators

Mentorship: Create an environment where peers share information and mentor one another on an ongoing basis

Education, access and mentorship—the foundation of what we offer to all our members. This coming year, we will explore, with feedback via a survey sent to each of you in June, different ways in which we can deliver this value. I also encourage you to reach out to me if you have alternative ideas on how AIMSE can help you.

Although Conferences have been and will continue to be a key forum to share information with you, we are exploring ways to deliver value locally to you: webinars, conference calls, breakfasts, lunches, regular AIMSE Alert e-mail updates and more. We're starting with a clean slate and are focused on being creative in how we can best deliver value to help you.

As with any vibrant organization, our team is greater than the sum of its parts. I'd like to welcome Niels Andersen as our new Vice-President (also Chair of the Fall Conference in NYC, September 30 at the Princeton Club) and Tony Wilkins as Treasurer and Finance Chair. I would also like

to recognize several other Committee Chairs: Chris Krein will chair the Annual Conference at the Fairmont Turnberry in Florida, April 25-27, 2010, Kathleen Dunlop—Communications Chair, Chris Newman—Membership Chair, Stefanie Frese—Alternatives Chair, Michael Gillis—Canadian Chair, Lori McEvoy—Education (Wharton) Chair, Jack Boyce—Strategic Planning Chair and John Gee Grant—AIMSE International Chair.

Each of these people is volunteering his or her time and effort to give back to our industry and help provide you with the education, access and mentorship necessary to help you in your role.

I would also like to recognize our AIMSE Management Team led by our Executive Director, Kathy Hoskins. Kathy and her team at the Drohan Management Group – Lauren Papageorge and Laura Yarborough – are extremely responsive and with their experience, provide invaluable insights into how to improve upon our efforts.

This will be an exciting year for AIMSE, and with your help as an AIMSE member, we will make a difference.

Thanks for your help and support...

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from the *[editor]*

Time flies when you're having fun. As I write my last letter from the editor, I am pleased and honored to provide you with insights on what this issue has to offer and to introduce you to our incoming Editor.



AIMSE's goal is to provide members with education, access and mentorship to help us do our jobs better. This issue of the Advisor is one component of that effort. Whether or not you attended the Annual Conference, the "call report", prepared from a compilation of notes taken by members, is a useful summary of the insights delivered by the panelists and guest speakers.

New to the Advisor are links to the presentation material provided by our keynote speaker, Northern Trust's Chief Economist Paul Kasriel. We have also provided links to the presentation material provided by Jeff Gabrione of Mercer and Janice Fritz-Snyder of Watson-Wyatt. Their descriptions of the manager research and the vetting process at these two global consulting firms are extraordinary in their granularity.

While 2008 wrought unprecedented damage on investment portfolios, we know that it also put a dent in many members' careers. Conscious of our mission to

serve members, we asked Janice Abert, a seasoned career architect, to share her wisdom on getting back into the workforce.

Finally, it is with great pleasure that I introduce the Advisor's next Editor, Kathleen Dunlap. Kathleen is a new AIMSE board member but a seasoned marketer in her role as Managing Director of Institutional Sales at Epoch Investment Partners in New York.

I look forward to seeing or hearing from all of you.

Best regards,

A handwritten signature in black ink that reads "Anthony E. Wilkins, CFA". The signature is written in a cursive, flowing style.

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32nd Annual Sales and Marketing Conference Blueprint for Success: Surviving the Headwinds *[Call Report]*

Conference Notes:

Keynote Presentation:

Paul Kasriel, Director of Economic Research, [The Northern Trust Company](#)

Paul Kasriel told us that while the worst is over, there is still plenty of economic pain ahead. The good news is that the unprecedented global coordination of efforts to abate the crisis looks like it's working. Click the following link to view his presentation www.aimse.org/members/32ndconference/index.cfm

Mercer Presentation:

Jeff Gabrione, Director of Research, [Mercer Investment Consulting](#)

Jeff Gabrione detailed how managers are reviewed and vetted globally. He shared names, responsibilities and titles across the world. You can see them all by clicking this link www.aimse.org/members/32ndconference/index.cfm

Watson Wyatt Consulting Presentation:

Janice Fritz-Snyder, Director of Research, [Watson Wyatt Worldwide](#)

Janice Fritz-Snyder shared the same information for Watson Wyatt. The link to her presentation is www.aimse.org/members32ndconference/index.cfm

Consultant Roundtables:

As always, we appreciate the participation of the consultant community who make our conferences so very valuable. Several consultants provided us with their "what's hot, what's not" perspective. Each provided updated insight into their firms. Note: The synopses of consultant perspectives are not necessarily the current or representative views of the firms attending. Members are strongly encouraged to contact these firms directly for their most current thinking.

Roundtable Participants:

P.J. Kelly, Ennis Knupp + Associates

What's Hot

- Market dislocation strategies
- Governmental programs: TALF, PPIP
- Liability driven solutions and other creative asset allocation structures
- Low fees, transparency, liquidity

What's Not

- Highly levered products with liability/liquidity mismatches
- Expensive products, low transparency and poor liquidity
- Narrowly defined mandates
- Securities lending

Dennis Jensen, Russell Investment Group

What's Hot

- Asset/Liability Management: hedging, credit exposure management, lowering systematic equity risk
- Managing current market risks – systematic delevering, illiquidity, government intervention
- Investment opportunities: reevaluation of active vs. passive exposure, exploiting market dislocations in equity and credit
- Pension disclosures including FAS 157

Scott Whalen, Wurts & Associates Inc.

What's Hot

- Inflation Protection
- Distressed Opportunities

What's Not

- Real Estate
- Hedge Funds

Paul Malizia, Hewitt Associates

What's Hot

- Credit strategies
- Global/foreign equities
- LDI
- Overall pension risk
- Single HF strategies (credit and distressed)
- DC is growing rapidly

What's Not

- Hedge funds conceptually and absolute return strategies (even more so, given the existing economic environment)
- Anything remotely risky

John Krimmel, Callan Associates

What's Hot

- Opportunistic strategies
- Distressed debt
- Inflation protection strategies
- TIPS
- Real estate
- Timber and commodities
- Global products: debt and equity

What's Not

- 130/30
- GTAA
- Hedge funds

Other Roundtable Participants:

Josh Emanuel, Wilshire Associates

David Hyman, Evaluation Associates, Inc.

Jim Gilmore, NEPC

Cathy Konicky, Cambridge Associates

[Global Distribution]

Is Your Firm Ready for the Opportunities and the Challenges?

Global Distribution Thesis:

The present global distribution market conditions present an exciting environment for investment firms to advance their non-U.S. business development platform:

Growing global acceptance of large, multi-product and single-style boutique manager structures.

Global and regional consultants who are gaining significance as institutional and intermediary gatekeepers.

Many global banks and insurance companies are disintermediating their asset management arms and looking to outsource in sub-advisory mandates.

Global Opportunities and Challenges:

Different themes will drive key global markets during 2009.

- **Europe experiencing a fundamental shift in asset gathering**
 - Markets still very fragmented, especially on the continent
 - Opportunities center on the professional buyers and institutions
 - Banks increasingly seek to outsource manufacturing to sub-advisors
 - UK pensions will show renewed vigor as some DB plans shore up unfunded liabilities
 - Having UCITS and solid distribution relationship will be important to develop broad-based institutional business
- **Japanese investors will assess their true stomach for risk**
 - Japan's pensions must shore up a yawning unfunded liability
 - The crisis will test banks' recent role as advisors to retail investors
 - The critical question will center on retail fund flows
- **Asia ex-Japan may represent some of the best opportunities**
 - Asian banks better capitalized, but will they end churn-and-burn practices?
 - Both regions' fast-growing affluent class may remain a bright spot for demand
 - Asia's institutional market will flourish—but it won't necessarily involve pensions
- **Australia continues to benefit from the Superannuation Guarantee**
 - Despite market and currency fluctuations, compulsory retirement continues to fuel market
 - Global diversification remains a priority

- Superannuation funds continue to dominate flows and apply pressure on fees
- Consultants play dominant role as gatekeepers
- Boutique culture embraced as most distribution forces go multi-manager
- **Canada increasingly open to U.S./international managers**
- Legacy structural and cultural issues surrounding foreign content restrictions largely abated
- Market is concentrated and dominated by large, sophisticated buyers
- Geographic proximity, the prominent role of consultants, and common product trends attractive for U.S. managers
- As natural resources/commodity pricing and Canadian financials retrench, increased interest in non-Canadian strategies

Global Distribution Business Models:

Firms are employing customized methods of securing global distribution

	Advantages	Challenges
Parachute: <i>representative office or subadvisory</i>	<ul style="list-style-type: none"> ▪ Lower cost ▪ Preserves firm culture ▪ Focuses on bigger-ticket institutions 	<ul style="list-style-type: none"> ▪ Can restrict access to higher-margin local products and packaging ▪ Lacks local look-and-feel to attract local distribution
Partnership: <i>strategic subadvisory or joint venture</i>	<ul style="list-style-type: none"> ▪ Secures preferred or exclusive access to local product, distribution ▪ Leverages existing sunk-cost base of the local partner 	<ul style="list-style-type: none"> ▪ Higher cost in purchasing JV stake or starting operations ▪ Many JV partners still pay parents for distribution ▪ JVs historically do not work: poor alignment structures
Proprietary: <i>purchase local product with distribution access</i>	<ul style="list-style-type: none"> ▪ Fully secures local product, distribution ▪ Allows creation of truly combined products and services with local packaging 	<ul style="list-style-type: none"> ▪ Acquisition costs can be expensive ▪ Culturally disruptive for both parties; integration risk ▪ Potential for branding blowback

Source: Casey Quirk Analysis

Conclusions:

- Large firms must use size / resources to their competitive advantage, but not try to be "all things to all people"
 - Small- and mid-sized firms must assess opportunity by market and target higher probability assets pools
 - Firms must ensure commitment from senior management and be sure firm's culture is properly aligned with opportunity set
 - Firms must consider registration and licensing implications
 - Client service expectations are high and costly
 - Commitment and patience are mandatory!

Top Guns Panel – Proven Methods for Success from Leading Market Professionals

[Best Practices in Unprecedented Times]



- In finals, make clients understand what working with your firm would feel like.
- Don't waste time.
- Connect WHY what you do is important to clients.
- Always...don't get distracted from what's best for your clients, company, family and self.
- Be a resource: Help clients and consultants look smart.
- Keep your commitments.
- Don't confuse activity with progress.
- At every point in the sales process, try honestly to disqualify a prospect from your further efforts.
- Radio Silence: If you did something, face it. If not, be persistent.
- Do more homework than others.
- Meet with your colleagues and competitors.

Best Practices in Unprecedented Times

[Moderator: Steve Dunn, Cohen & Steers]

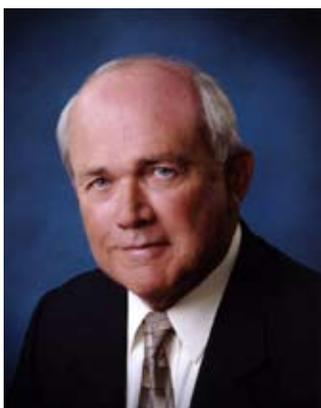
Alan Kosan, Rogers Casey – Alan addressed how consultants are balancing client meetings with manager meetings. Risk management is receiving a heightened level of attention both at the manager level and at the portfolio level. The market correction going back to mid-2008 is impacting different types of clients depending on their asset allocation - investors are reevaluating their exposure to illiquid assets and current levels of liquidity. Certainly in the "post-Madoff" period, an added dimension has been added to due diligence focusing on custody of assets, accounting firms, other third party service providers and internal controls and procedures.

Bill Lee, Kaiser Permanente – Similar to other investors, he is currently spearheading an asset allocation study. There is been a major dislocation across many asset classes and many of the historical trends have been debunked. Communication among investment committee members has definitely increased and become more frequent. Existing managers are receiving more scrutiny at the expense of meeting with new managers.

Dick Hoag, Liontrust International North America – Despite having gone through one of the most severe bear markets ever, Dick made the case that there are tremendous opportunities out there, the likes of which we have never seen before. Jumpstarting growth in the asset management business may take many shapes - lift outs, acquisitions and hiring to replace those previously displaced by the downturn. Communication with clients and consultants has never been more important, and firms are utilizing creative methods to reach out and "educate" their constituencies - use of webinars and "white papers" are on the rise.



The Richard A. Lothrop Outstanding Achievement Award



The prestigious Richard A. Lothrop Outstanding Achievement Award is presented each year at the AIMSE Annual Conference and is one of the most coveted honors in the investment management industry. The award criteria include dedication and service to the industry, AIMSE, their community and mentorship and service to others.

I am proud to announce that this year's AIMSE Richard A. Lothrop Outstanding Achievement Award went to Jim Wood. Jim's dedication to mentorship and service to others started when he coached basketball at Kent School in Connecticut and grew throughout his career. Whether serving as head of Institutional Sales at C&S Bank in Atlanta or running one of the most successful sales organizations in the country at Templeton Investment Counsel, Jim's dedication to helping sales professionals grow and compete successfully has never waned. This was truly evidenced by the outpouring of letters and emails the Lothrop Award Committee received in support of Jim's nomination.

Our heartfelt congratulations go out to Jim and his family, along with our thanks for his unending support of AIMSE and our principles.

Larry Pokora
President Emeritus - AIMSE
Chairman, Lothrop Award Committee

[Between Jobs?]

12 Tips to Finding Your Next Great Opportunity

By: Janice Abert

1. FOCUS AND POSITION YOUR RESUME:

Create a resume that clearly quantifies your value proposition. List your relationships by client type and geography, your sales success in asset/revenues, number of finals conducted, pipeline opportunities, specific products you have presented and unique revenue generating responsibilities.

2. DEVELOP AN "ELEVATOR PITCH" that clearly and succinctly tells someone who you are, what you are looking to do and how you want them to help you. "Brand" yourself so that people can easily position you for the right opportunity.

3. GET BUSINESS CARDS MADE WITH YOUR CONTACT INFORMATION.

4. ACHIEVE YOUR GOALS IN A CHALLENGING MARKET ENVIRONMENT:

Be open minded and flexible about your expectations. This is a very different and difficult job market. Your goal should be to join a firm that has a strong cultural fit where you feel you can impact the growth of the business and can grow your career. Ideally the firm will value marketing and sales and have a realistic timeline for raising assets and one with marketable products and you feel confident has long term potential.

5. MAINTAIN REALISTIC COMPENSATION EXPECTATIONS:

Strong firms still offer competitive compensation packages. However they are using this market as an opportunity to "top grade" their sales teams. Firms at risk or in building mode will seek people willing to share in the risk and a desire to share in the firm's future success. Your goal should be to join a good firm, to grow your sales experience and relationships, and be in the business for the long term.

6. LEVERAGE AN ORGANIZED SEARCH STRATEGY:

Develop an organized method to track the people and firms you want to target. Use time to update and organize your contact database. Follow up with your contacts once a month. People who take time to help you want to know how their leads/introductions work out. There is "survivor's guilt" that can work in your favor. Your peers know that they themselves could be networking for a new role. Regular follow up with your network will keep you current on industry trends and leads. Develop clever ways to keep in touch with your Plan Sponsor/Pension Consultant rolodex.

7. FAVOR IN-PERSON NETWORKING:

Make every effort to build and maintain your network live versus telephone. Meeting face-to-face solidifies relationships. Try to meet in people's offices so that you can get a sense of their firm's culture and potentially meet other people as well. Your network should include hiring managers, "centers of influence" and peers. Follow up emails with phone calls. Nothing takes the place of a conversation! Understand that successful networking is quid pro quo. You help them, they help you. Successful networking is as much about what you can do for others as it is about what you can get from them. To be good at networking you must share and you must become a resource for solving problems, giving industry intelligence and making key introductions. Never forget that one must adopt overly gracious habits when asking for favors. You must commit to promptly thanking the people who help you!

8. UNDERSTAND RECRUITERS AND THEIR MANDATES:

Reach out to recruiters who specialize in the asset management industry and meet with them. Understand if the recruiter is "retained" or "contingent" and what that means to opportunity.

9. BUILD YOUR CREDENTIALS: Earn your CFA or other distinctive certification. Stay current. Read industry publications. Take an investment seminar. Attend a conference. Subscribe to free newsletters

10. JOIN AND GET INVOLVED WITH INDUSTRY ORGANIZATIONS: AIMSE!

11. USE TECHNOLOGY: Look for positions on asset management firms' web sites. Use industry specific network job sites. Join and use social networking sites like LinkedIn and Plaxo.

12. STAY POSITIVE AND ENCOURAGED!

You need to work diligently every day on your job hunt with the patient understanding that finding a new position is likely to take many months. Without notice, firms may put their search on "hold" or proceed slowly as they continue to meet additional candidates looking for the "perfect" match. Make time to stay in good physical and mental shape; people want to hire healthy, upbeat people. Take advantage of this down period to spend quality time with your family, friends, doing philanthropic work and making a "dream/wish" come true. It is good for the soul.

Good things happen to good people. Best of luck in your search!

In the New York area, AbertAssociates, LLC has organized a monthly Peer Network Group series for Institutional Marketers, Consultant Relationship Managers, Investor Relations, Client Relationship Managers and Institutional Product Specialists. Please contact me for more details.

Why *[AIMSE?]*

When I joined our institutional marketing group, the first thing my manager did was to register me for an AIMSE conference. He felt that the number and quality of consultants and plan sponsors that were scheduled to attend was outstanding. But of equal importance, he reasoned that my ability to succeed in this business would largely be predicated on my building relationships with industry colleagues. I can honestly say that many of my best relationships with consultants and colleagues are a by-product of being a member of AIMSE. Additionally, the educational component has played a significant role in helping me more effectively communicate my message and better understand the overall institutional market place. I fully expect AIMSE to continue to play a constructive role in my career development and to help me to best position my firm and products.

Ed Urban
RiverSource Institutional Advisors

Tony,

It was a pleasure having breakfast with you on Monday. Because I am a new member, and this being my first AIMSE conference, I had no expectations. I was pleasantly surprised by the reception from everyone. It seems like a very generous group of professionals, and I am looking forward to future events, whether they are regional or national. I expect to be traveling to Chicago in late May or early June, so I hope you don't mind if I call on you while in town. Thanks for taking the time to make me feel welcome.

Regards,
Scott

Scott Chantigny
Vice President
Kenmar
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Dear AIMSE Board of Directors,

Good morning.

I just wanted to drop a quick note and tell you what a pleasure it was meeting you all at AIMSE. I thought that the Board of Directors, and especially the Conference Chairs, did an excellent job putting together the conference agenda. There were so many resources available to the members, from plan sponsors to consultants to other senior marketing leaders, that it was truly outstanding.

On top of the conference itself, the network of marketing colleagues I have begun to build, who have offered to help me any way they can, is just unbelievable. Being new to the business, I feel so much more confident in my role knowing that I have these resources to call upon. Joining AIMSE was the best move I've made since I landed here at Trigon.

Thank you for your efforts on the conference, and for your work making AIMSE such a great organization.

Be well,
Tim

Timothy M. Kirk
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AIMSE is especially grateful to our sponsors and exhibitors who supported us in 2009.

corporate sponsorship *[silver sponsor]*



Knowledge
for Investors

2009 *[exhibitors & sponsors]*





calendar of *[events]*

Fall Conference

September 30, 2009
Princeton Club
New York City

17th Annual Canadian Conference

January 19 - 20, 2010
Fairmont Royal York Hotel
Toronto, Ontario

33rd Annual Marketing & Sales Conference

April 25 - 27, 2010
Aventura, FL

