



AIMSE

13th Annual Boot Camp

2023

AIMSE Boot Camp Presenters



Michael Gillis		Chris Rae	
2021	Retired	2016	Storm Capital Partners
2006	Greystone (Acquired by TD in 2019)	2014	Sorin Capital Management
1998	Seamark	2008	SAC Capital Management
1996	Halifax Grammar School	2006	Chilton Investment Company
1991	National Trust	2001	Goldman Sachs
1989	Royal Trust		
1987	National Trust	JD/MBA	Duke Law School and the Fuqua School of Business
BBA	St. Francis Xavier University	BA/AM	Stanford University
BEd	Mount St. Bernard		
Home	Halifax, Nova Scotia, Canada	Home	Park City, Utah, USA
Wife	Heather	Wife	Courtney
Sons	Marshall (25), Michael (23)	Daughters	Grayson (15), Poppy (13)
		Son	Camden (11)

AIMSE Boot Camp Presenters



Michael Gillis



Chris Rae



Disclosures



The statements given by Michael and Chris (collectively, "the Presenters," and individually, "a Presenter") represent their collective experience and knowledge of both the asset management industry and beyond.

The Presenters are only representing their individual experience and are in no way, shape, or form, speaking on behalf of AIMSE or any of their past or current employers or clients.

If the Presenters express or say anything offensive or untoward either in this material or in the live or recorded presentation of said material, too bad. This is a hard business. You will need a thick skin to be successful in this business, so suck it up.

What Has Changed?

The COVID-19 pandemic has forever altered how we all do our jobs...

What Has Changed?	
More Virtual Meetings	More “screen time”
Fewer Live Meetings	Therefore, they are even more important than they were before!
New Management Challenges	How do you manage remotely?
Less Travel	Which is possibly a good thing!
Work from Home	Traveling less, but also working from home more
New Performance Metrics	How should we measure success?
New Time Management Challenges	How should you spend your time?
Regional Bias	No longer a thing...



Marketing Philosophy

Compounding



*The most
powerful force in
the Universe*

- Albert Einstein

Learning Compounds

Skills Compound

Relationships Compound

*Three marketing
axioms to
remember...*

Professional

(what you are)

Journey

(not a destination)

Simplicity

Marketing Philosophy



The most important characteristics of a good marketer are to establish...

T Trust

L Likability

C Confidence

Boot Camp Manifesto



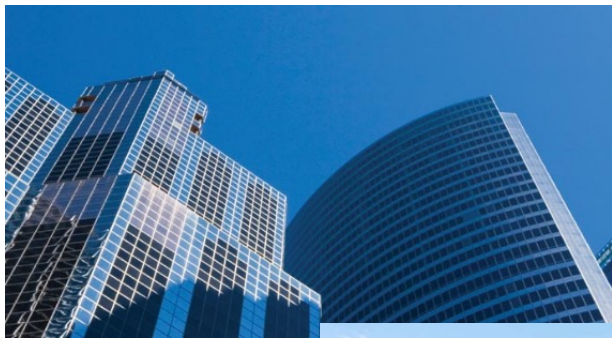
The following are a series of key points to keep in mind with regard to institutional marketing...



Boot Camp Manifesto



Everyone is Institutional



Know Your Product



Boot Camp Manifesto



Fishing, Not Hunting



Bought, Not Sold



Boot Camp Manifesto



Give Yourself a Head Start



Overcome Hurdles



Boot Camp Manifesto



Beg, Borrow, and Steal



Do the Work for Them



Boot Camp Manifesto



Networking and Congeniality



Non-Annoying Aggression



Boot Camp Manifesto



Get the Next Meeting



Closing is Following-Up



Keep It Simple

“... And please, speak as you might to a young child, or a golden retriever...”

*Margin Call
(2011)*



Group Decision-Making



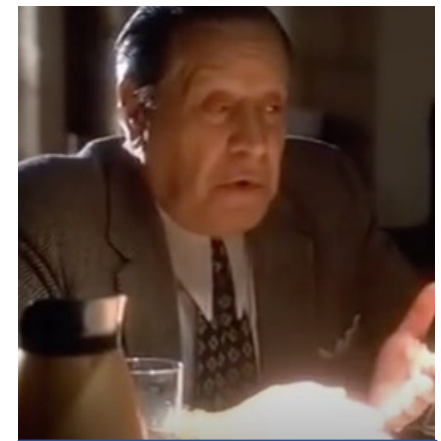
“He won’t talk... good kid... stand-up guy like his old man... that’s the way I see it...”



“I agree... He’s solid... a f#cking Marine...”



“He’s OK... He always was... Remo, what do you think?”



“Look... Why take a chance?”

The Manager Enthusiasm Gap

“No Limited Partner has ever been as enthusiastic about an investment as any General Partner. Ever.”

The naive investment manager marketing argument...

- I am awesome (both as a person and in my investments).
- I am incredibly enthusiastic (motivated, excited, etc.) about me, my investment business, and/or my investments.
- If I can just get investors as enthusiastic as I am about me, my investment business, and/or my investments, they will invest. Simple.



General Partner



Limited Partners





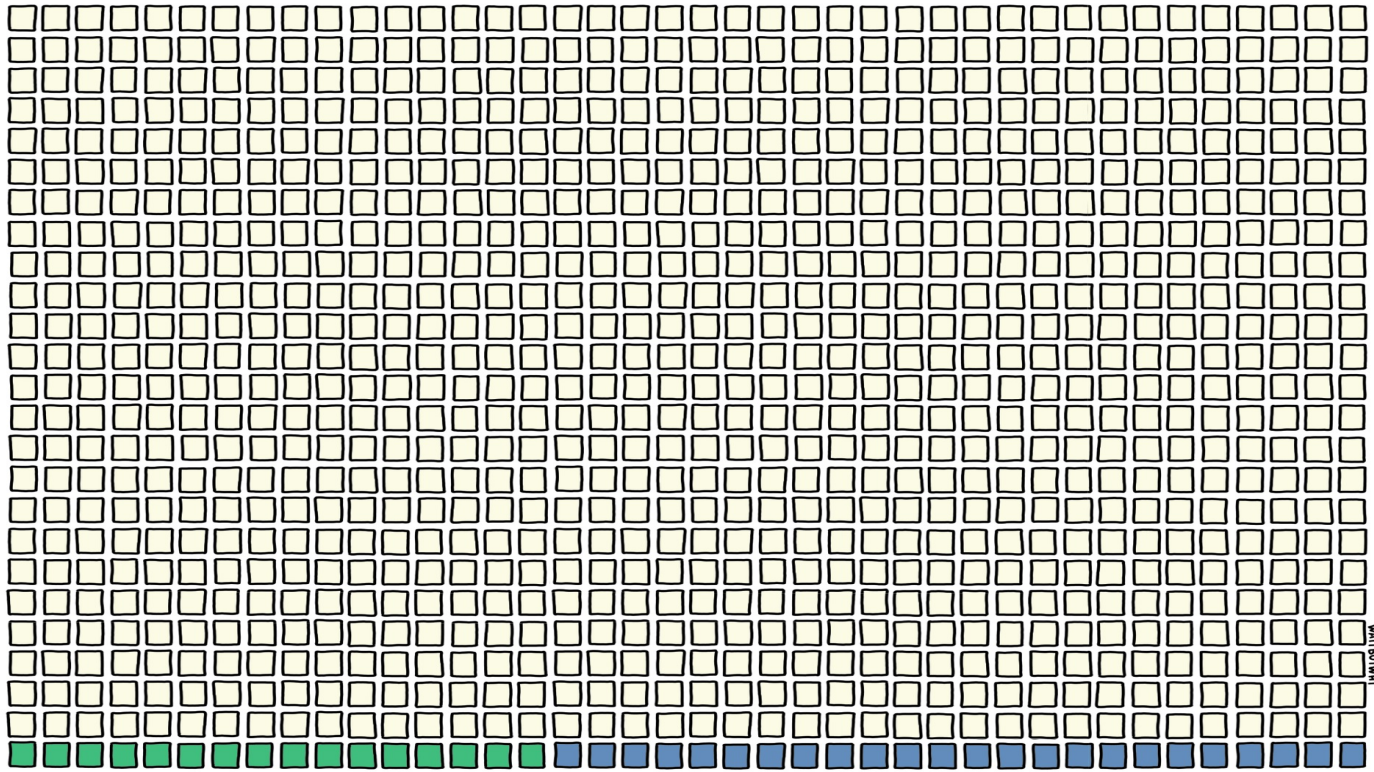
Applying Brain Science

IF HUMAN HISTORY WERE A 1,000-PAGE BOOK

250,000
YEARS AGO

EACH PAGE = 250 YEARS
EACH ROW = 10,000 YEARS

HUNTER-GATHERERS



EARLY AGRICULTURE

↑
RECORDED
HISTORY BEGINS-ISH

super famous person
who lived on that
page, for reference →

- BUDDHA
- ARISTOTLE
- CLEOPATRA
- JESUS
- CONSTANTINE
- MUHAMMAD
- CHARLEMAGNE
- GENGHIS KHAN
- JOAN OF ARC
- SHAKESPEARE
- GANDHI



Brain Science



*The Emotional
Brain vs. The
Rational Brain*



Inside the Investor's Brain



Investor's, like any buyer, have cognitive biases...

Bias	
Status Quo	Allocator near retirement pushes back against change
Safety	Fear of career risk stronger than improved returns/diversification
Negativity	Once they find something "not right" they go looking for more
Ambiguity	Need more time to think about your offer
Cognitive Dissonance	Human desire to be consistent in thoughts, beliefs, values, and actions

Inside Your Brain

As marketers, we all feel a need to belong and feel important.

Objections are not Rejections.

Fear of Rejection

Real

We take a professional “no” as a personal rejection

Anticipated

We think we will get a “no,” so we invite it.

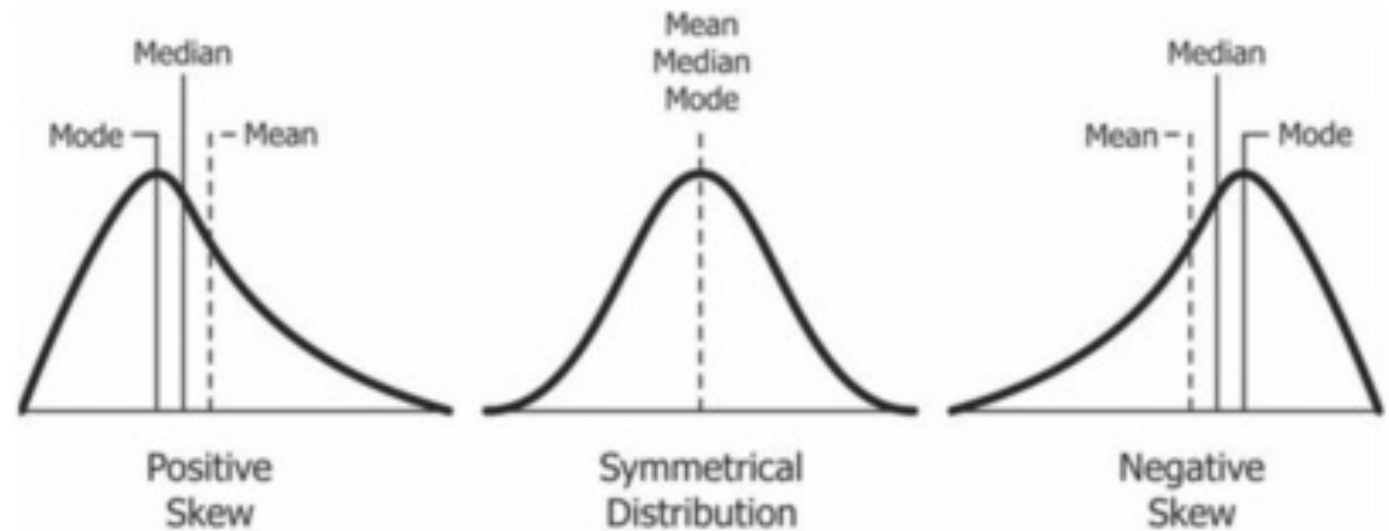
Perceived

We take any negativity as rejection.

Positive vs. Negative Skew

Investors (Buyers) exhibit negative skew.

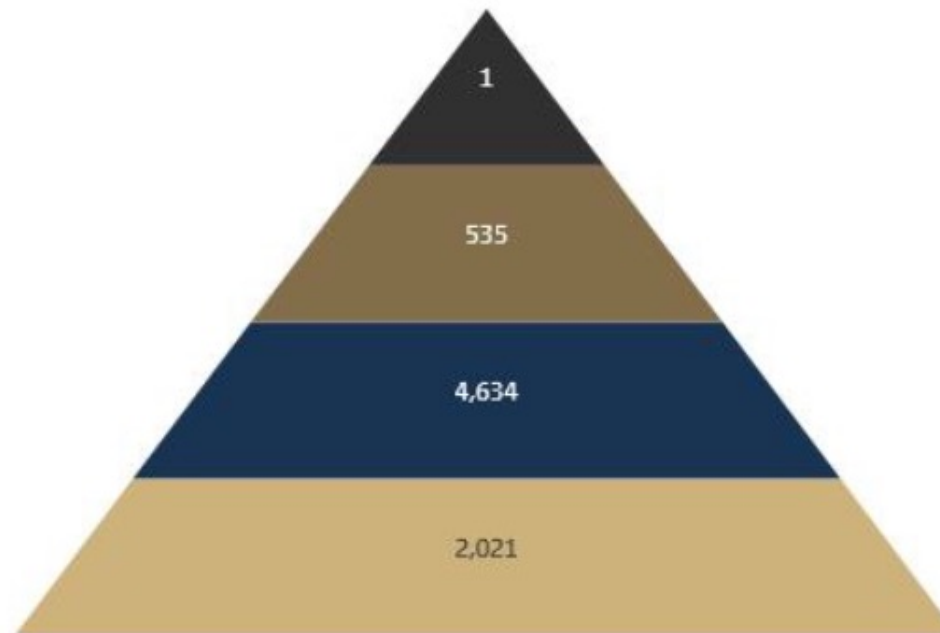
Investment Managers (Sellers) exhibit positive skew.



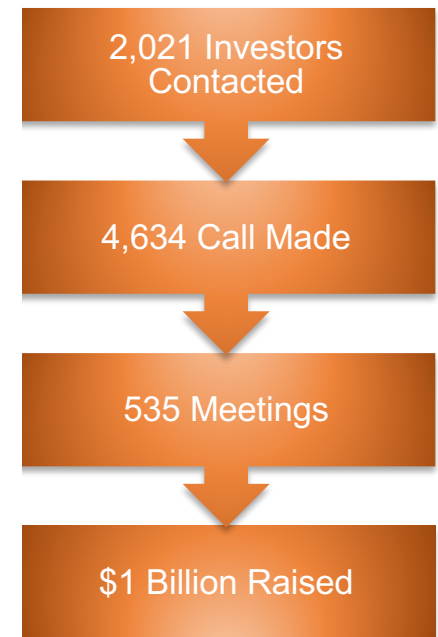
What Does it Take to Raise \$1bn?



Actual marketing processes often take a lot of work...



● Investors contacted ● Calls made ● Meetings held ● Capital raised (\$, bn)



What Does It Take to Raise \$1bn??

The marketing process often has measurable success statistics...



26%

Of the investors who ultimately allocate, initially said there was no room for the fund in their current portfolio



13 months

Average sales cycle, involving 40+ touch points



50%

Of LPs scale their investment over time



4

Meetings held on average before an investment is made



38

Combined average number of emails and calls made before an allocator writes a ticket

Source: Eaton Partners

**Data based on one hedge fund client's \$1.2bn capital raise*

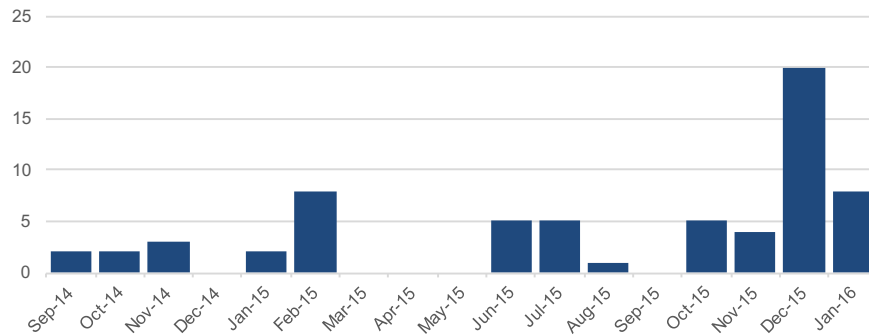
Sample Marketing Processes



Sample Process 1

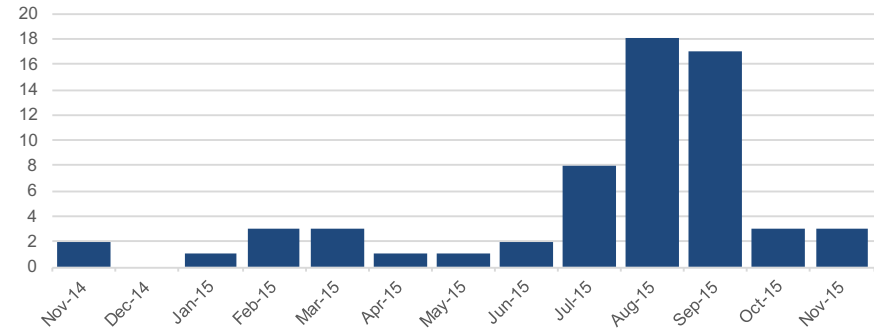
Sample Process 2

Marketing Activity Contacts by Month
(65 Total Interactions)



Total Interactions	
Email	58
Call	6
Meeting	1

Marketing Activity Contacts by Month
(62 Total Interactions)



Total Interactions	
Email	45
Call	11
Meeting	6



Sample Marketing Process Detail

Marketing processes almost never unfold in a linear manner.

Be prepared for surprises!

Date	Activity
October 14	"I remain boringly distracted on a business transaction and until that is completed am not spending as much time on fund work as I should. Please can you chase me in mid-November.."
November 24	Marketers followed up
January 23	"Finally....finally... I am coming to NYC and whilst the deal we have been talking about for ages is not yet announced, all parties hope to sign in two weeks time..." Meeting scheduled for February 3.
February 1	Investor loses his voice and cancels meeting
February 2-20	Marketers reached out seven times to continue dialogue.
June 12	"Finally, we got our deal done!" Begins process.
June to December	Lots of emails, calls, and meetings.
January 1	Investment made.



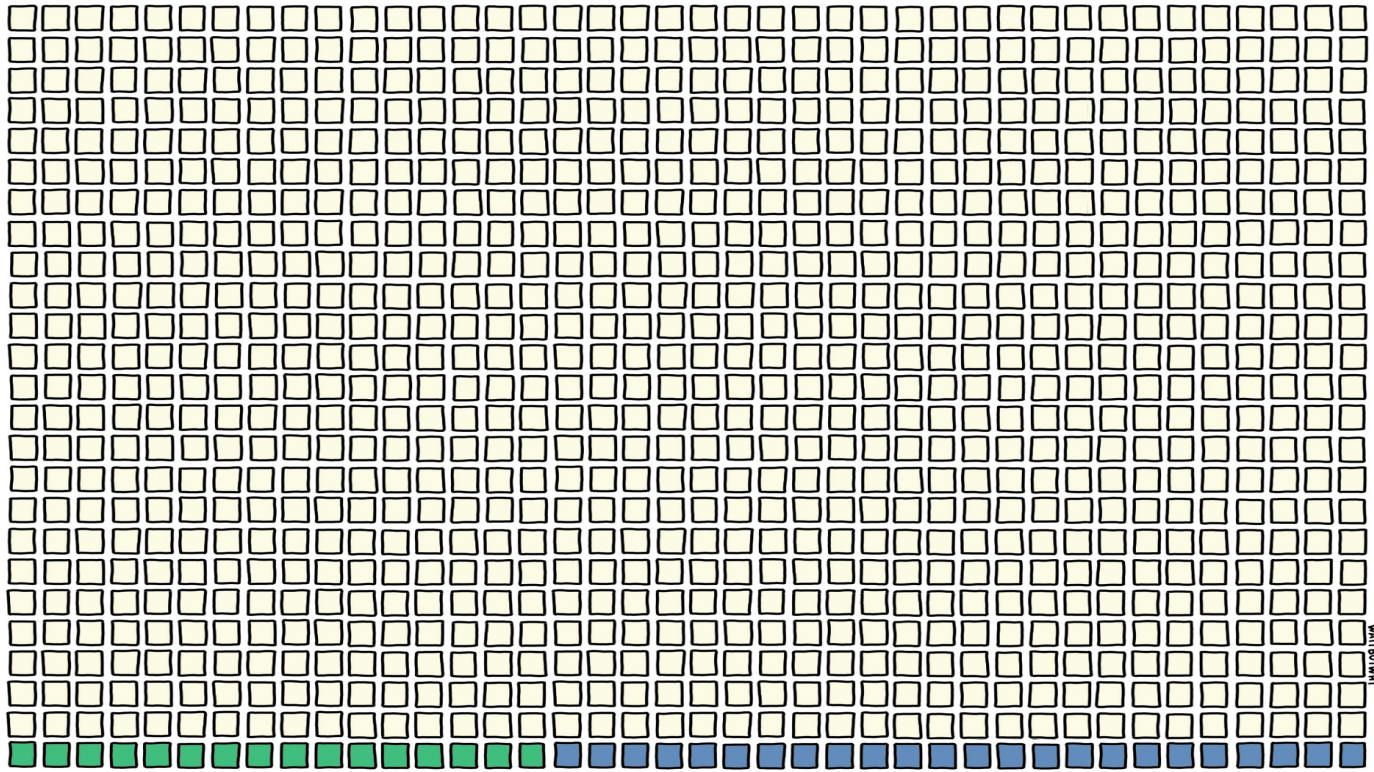
The Power of a Story

IF HUMAN HISTORY WERE A 1,000-PAGE BOOK

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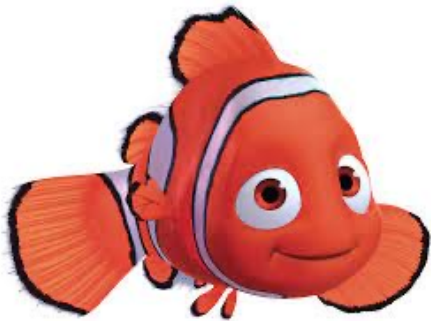
super famous person
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The Power of a Story

Pixar Pitch



Once upon a time _____

Every day _____

One day _____

Because of that _____

Because of that _____

Until finally _____

Traditional Marketing Narrative

Traditional marketing narratives were driven by the “P”s...

These are now simply table stakes!

We used to rely open...

- **People**
- **Pedigree**
- **Process**
- **Philosophy**
- **Performance**

It is no longer about the “P”s, it is about the “O”

- Ask your manager, “why are you raising capital now?”

The “Opportunity” Narrative

All marketing narratives can be broken down into three pieces that are NOT in chronological order...

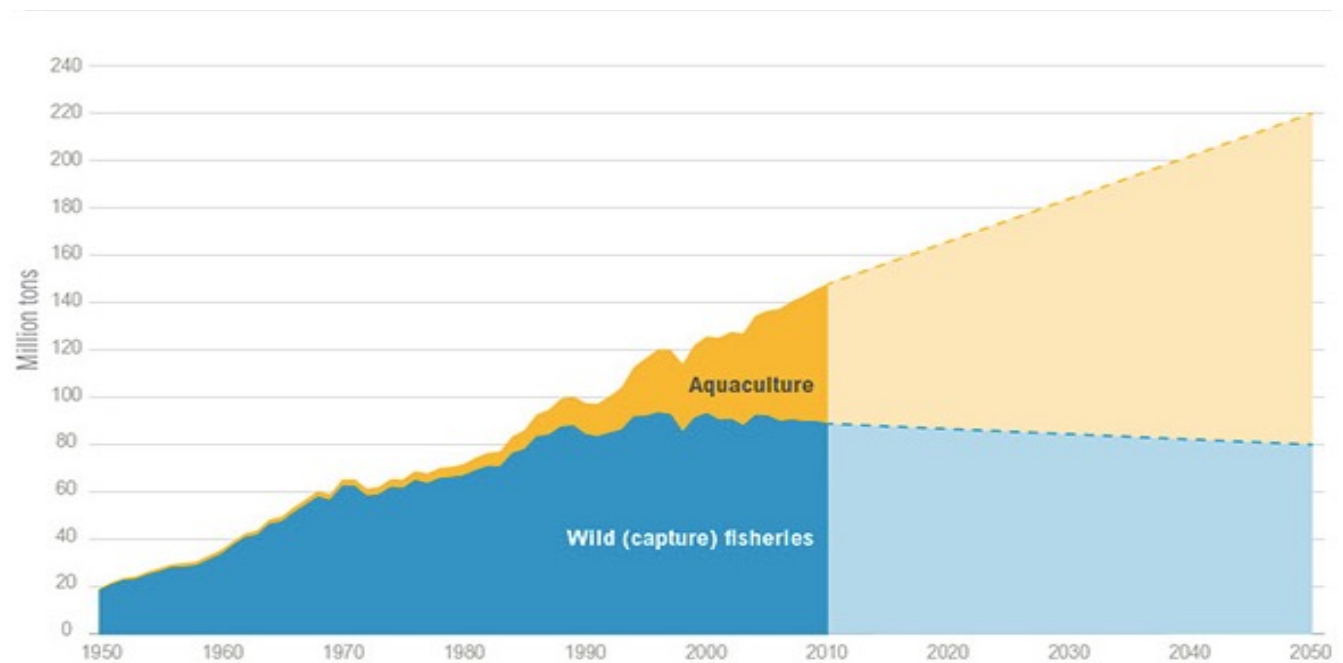
Question	Time	Addresses	Example
Why?	Present	What is the opportunity?	“We are seeing an amazing opportunity in...”
Who?	Past	Why is this firm or fund the right one to monetize this opportunity?	“We are the right team to monetize this opportunity because...”
What and How?	Future	How have you and will you continue to do so going forward?	”This is how we invest and will continue to do so...”

Opportunity Example – Aquaculture



Good opportunities are “up and to the right” and can be understood in very simplistic finance terms such as “supply and demand” or “buy low and sell high”

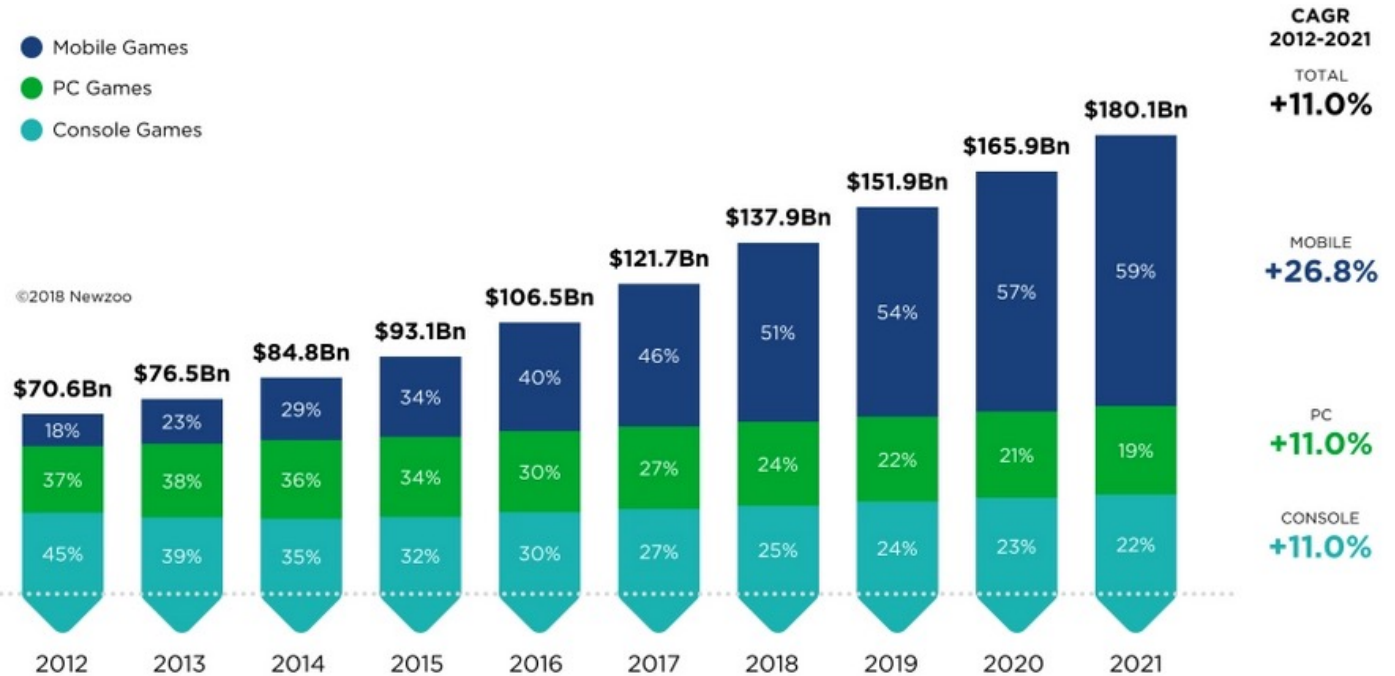
Aquaculture is expanding to meet global seafood protein demand



Opportunity Example – eGaming



Generally, statistics that support a growing “demand” function lend themselves to good opportunities





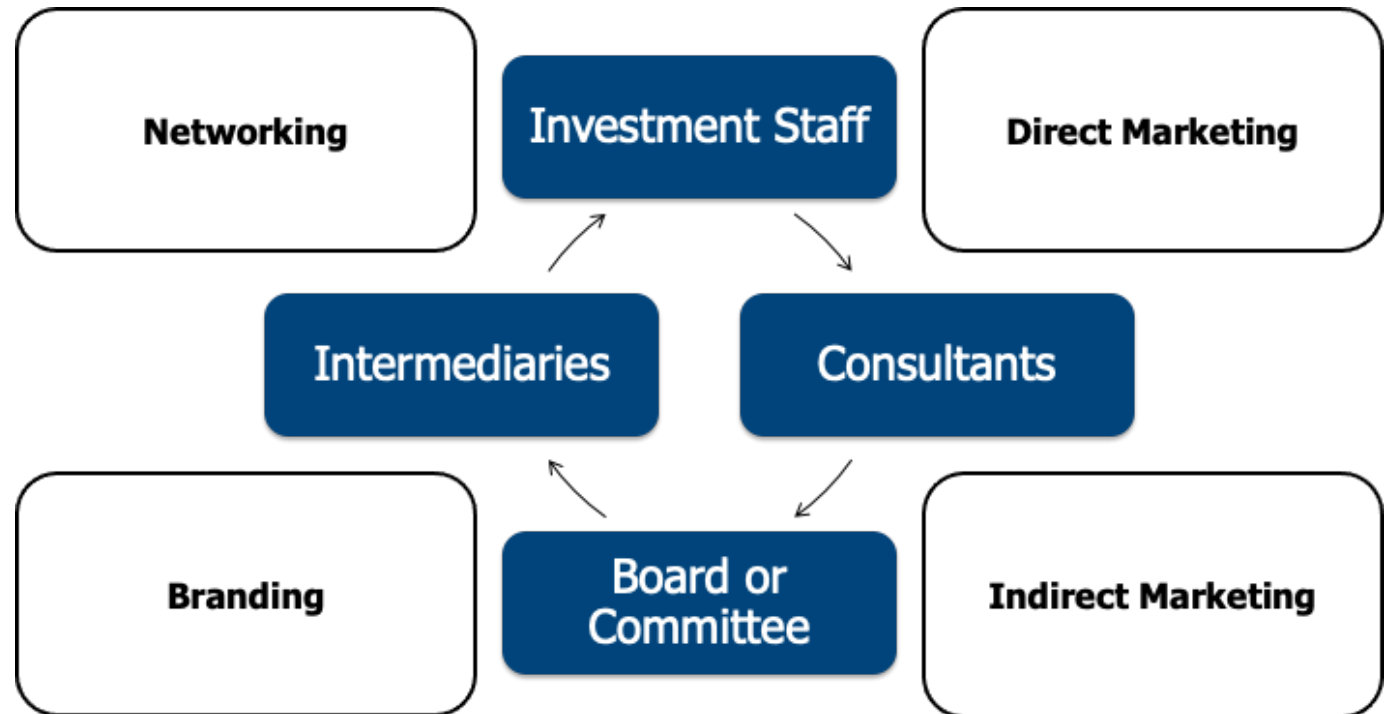
Prospecting

Why You Gonna Call?



Who are the important decision makers?

Who are "nodes" of influence?



Personas, Incentives, and Motivation



“Old CIO”

Motivations

- Preparing for retirement in a few years including pursuing board seats
- Low management issues, but now has to deal with succession
- Highly concerned about his or her legacy both within the organization and in the broader industry

Priorities and Risk Tolerance

- Generally, low... just don't mess anything up

“New CIO”

Motivations

- Trying to make his or her mark in a new organization
- Dealing with legacy assets and investments which he or she may not like
- Dealing with incumbent staff and fiduciaries

Priorities and Risk Tolerance

- Possibly in high allocation mode, but it may take time

Personas, Incentives, and Motivation



First Generation Family Office

Motivations

- Got rich doing one thing, now learning about new areas
- May think that he or she is the “sucker at the poker table”
- Very concerned with maintaining and/or enhancing his or her legacy

Priorities and Risk Tolerance

- Depends

Second Generation Family Office

Motivations

- Trying to make his or her mark beyond his or her parent’s legacy and maybe insecure
- May be more likely to “break with the past” because

Very concerned with establishing his or her legacy

Priorities and Risk Tolerance

- Possibly in high allocation mode, but there may be complications



Presentation Skills

We Buy from People We Like and Trust



T *Trust*

L *Likability*

C *Confidence*



Effective Presentation Skills



Before the presentation...

Skill	
Know Your Client	Learn about your prospect or consultant
Prepare the Operating Table	You are the surgeon
Personalize Your Approach	Customize your approach depending on the audience
Develop your Story/Format	Develop a compelling and persuasive Story
Practice your Presentation	Do mock presentations and dry-runs

Effective Presentation Skills



During the presentation...

Skill	
Strong Opening	Grab the audience's attention
Personalize message	Customize and adjust your message as you present
Time Management	Earn points for finishing early
Q&A	Handle Q&A effectively
Persuasive Closing	Summarize for the audience
Feedback and Follow-up	Do not end the meeting without discussing next steps

Effective Presentation Skills



Always keep in mind...

Skill	
Details matter	Pay attention to the little things
Emotion	Demonstrate passion, sincerity, and emotion
Eliminate Distracting Mannerisms	Do not draw negative attention to yourself
Good listening skills	Listen more than speak
Avoid Common Mistakes	No foot faults
Expand Your Comfort Zone	Challenge yourself!

The Single Most Important Thing



A T F Q

Virtual Presentations



Virtual presentations present a new set of challenges...



Then **SHOW**



And you will read this last

You will read this first.

And then you will read this

Then this one

Canadian Real Estate Environment



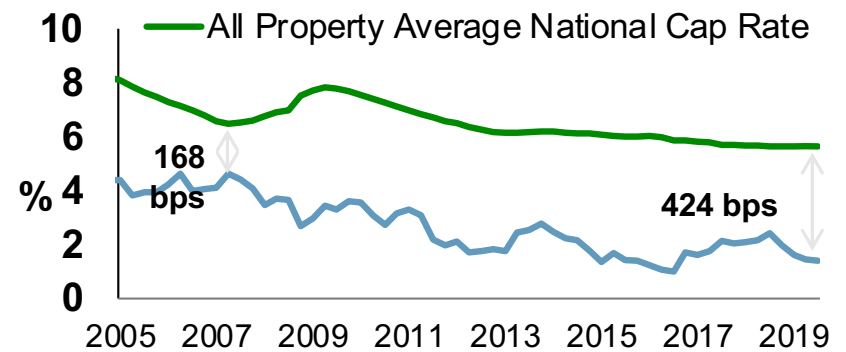
Optimal allocation to Canadian real estate and/or global real estate depends on:

1. Size of real asset exposure
2. Objective of real asset allocation
3. Source of funding real asset exposure

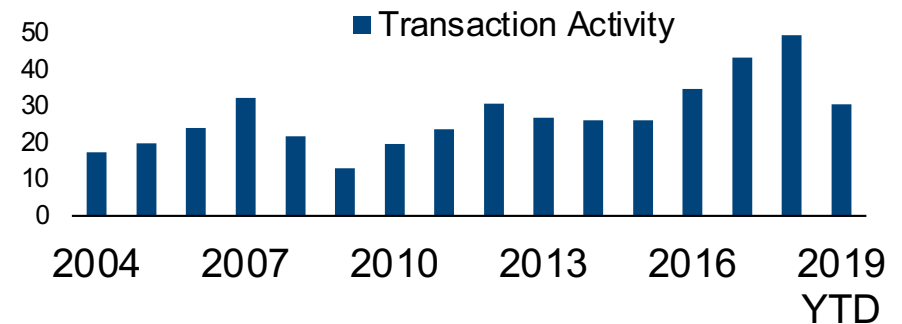
Canadian real estate market remains strong

- High correlation with long Canadian bonds
- Depth of institutional ownership provides stability

Capitalization Rates vs. Government of Canada (GoC) 10-yr Bond Yield



Attractive Real Estate Market¹



¹ As at Sep 30, 2019.

Source: CBRE Canada. As at Dec 31, 2019.

Virtual Presentations



FRAME

Then
S H O W



Virtual Presentations



Presenting on a screen feels a lot like watching TV...





Follow-up

Following-up Is the Key To Success



*Statistics you
need to know
from the National
Sales Executives
Association...*

48% never follow up with a prospect
25% make a second contact and stop
12% make three contacts and stop

ONLY 10%
make more than THREE contacts

More Statistics You Need To Know



*From the
National Sales
Executives
Association...*

2% of sales are made on the first contact

3% of sales are made on the second contact

5% of the sales are made on the third contact

10% of the sales are made on the fourth contact

80%

of sales are made on the 5th-12th contact

Even More Statistics You Need To Know

*How do we
successfully
follow-up?*

FACT: 57% of a prospect's decision is complete by the time of the first meeting (Source: MFS)

- Meetings
- Conferences and Events
- Thought Pieces
- Thank You Notes

Lever **technology** to manage follow-ups



Engaging and Building Relationships

Many Ways Up the Mountain



Every process is customized and although many start out linear, few remain that way...



Sourcing

The goal is to get to the right person under the best possible circumstances about the best possible product...

Identifying and sourcing investor contacts:

- Understand and organizations hierarchy
- Identify impactful individuals
- No contact is too junior

Warm calling vs. cold calling

- AIMSE and other networks help!

Creating Your Own Shot

The goal is to have in-person or virtual interactions to create a shared sense of experience...

Use any and all means to get in front of clients:

- Referrals
- Networking
- Conferences
- Events



Events and Conferences



If the party is terrible, always remember...

You are at the party!





Etiquette Among Marketers

Etiquette Among Marketers



Rafer Johnson



C.K. Yang

From left: Rafer Johnson '59, coach Ducky Drake, and UCLA classmate Yang Chuan-Kwan

Q&A