

paicr 17th Annual Conference

Blurred Lines: *The New Marketing Ecosystem*

November 16-17, 2015

InterContinental New York
Times Square



SWANDOG STRATEGIC MARKETING

Uncovering The Industry's Most Enigmatic And Alluring Distribution Channel

*(And Actions You Can Take Today To Grow Your
Business With RIAs)*

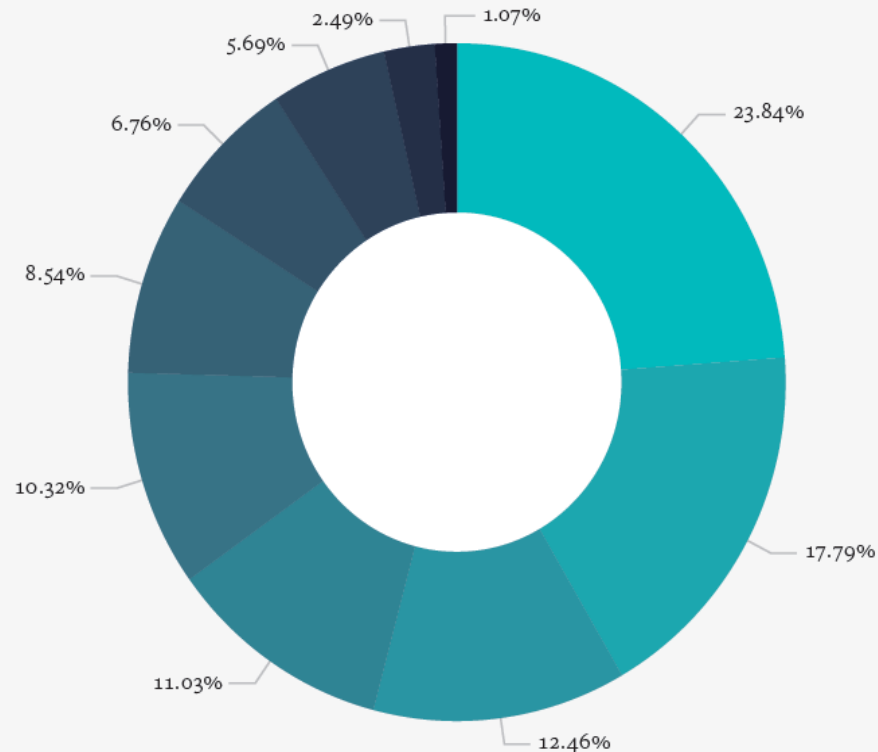
November 16, 2015

- Online survey distributed by WealthManagement.com to their RIA subscribers
 - 36 questions across a range of topics
- Conducted interviews and focus groups and drew on learnings from the 2009 SwanDog/Morningstar RIA study
- The study reflects the opinions of over 500 RIAs
 - Primary focus on RIAs up to \$750M in AUM
 - Includes the opinions of both pure RIAs and Dual and Hybrid RIAs

- The respondents were:
 - 79% male / 21% female
 - Average age = 51
 - Average AUM = \$500M (vs. \$27M for Indies)
- Geographically representative
 - Highest region is Northeast w/ 24%, second highest is West w/ 18%
- Additional statistical analysis produced a 2-cluster outcome, indicating the importance of active vs. passive management as a distinctive characteristic

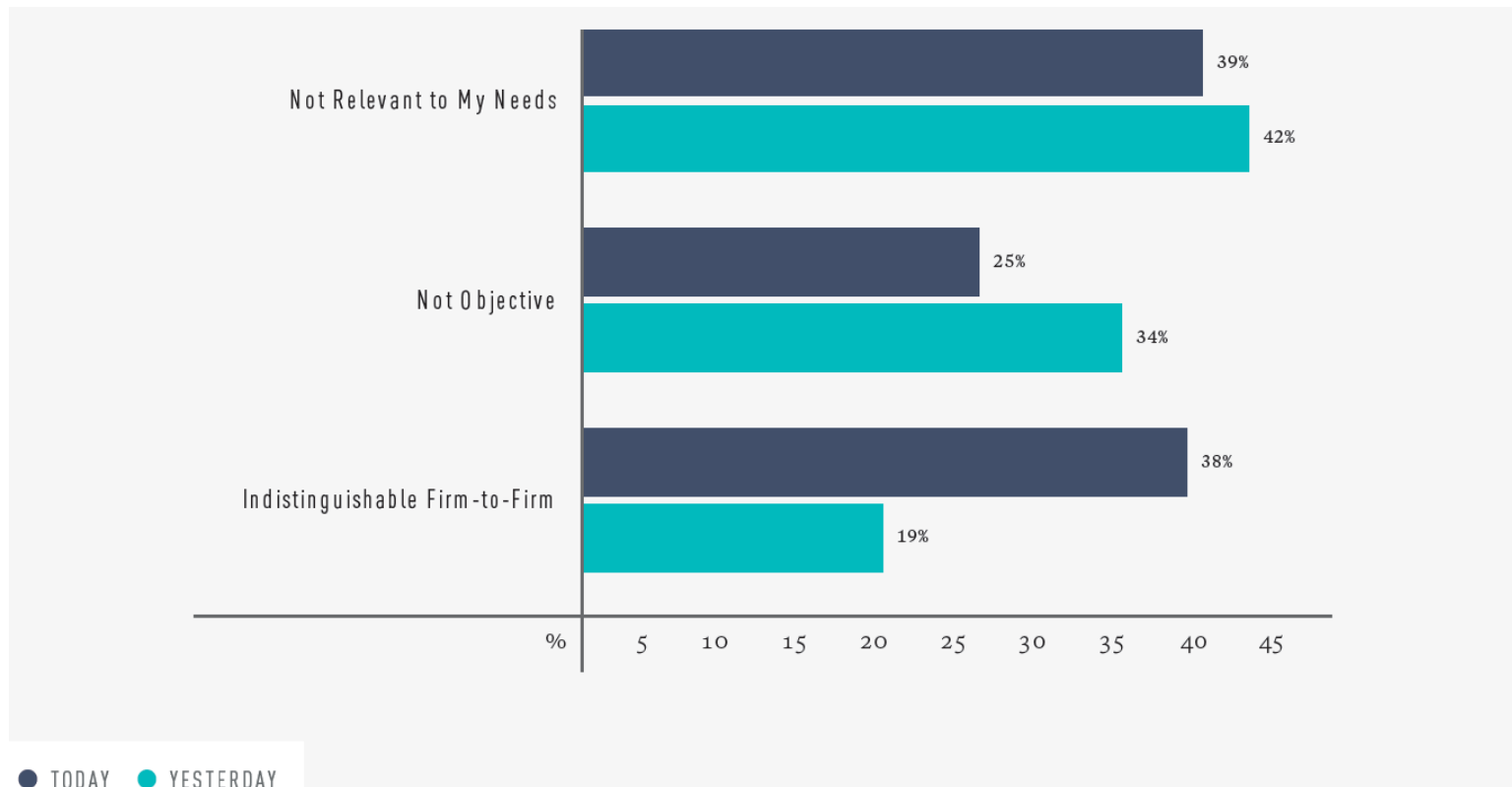
Respondents Geographically Dispersed; Northeast and West Greatest Concentration

- NORTHEAST
- WEST
- SOUTHEAST
- UPPER-MIDWEST
- CENTRAL-MIDWEST
- SOUTHWEST
- MID-ATLANTIC
- NORTHWEST
- SOUTHERN-MIDWEST
- GREAT PLAINS



SOURCE / 2015, SwanDog & WealthManagement.com

RIAs Biggest Complaints About Asset Manager Communications Remain Largely Unchanged



SOURCE / 2015, SwanDog & WealthManagement.com

SOURCE / 2009, SwanDog & Morningstar Online Survey of RIAs

OVERALL FINDINGS

Attracting new Clients is an RIAs Greatest Business Challenge



GREATEST BUSINESS CHALLENGES	ALL	AUM < \$100M	AUM \$100-750M	AUM > \$750M
Attracting New Clients	64%	68%	63%	53%
Compliance	37%	35%	38%	39%
Time Management	36%	37%	38%	28%
Gathering Assets	33%	37%	28%	33%
Staying Abreast of Regulatory Changes	29%	27%	34%	22%
Maintaining Client Relationships	23%	23%	25%	19%
Account Servicing	20%	18%	24%	17%
Investment Product Analysis	16%	19%	10%	19%
Economic / Market Updates	10%	9%	9%	14%

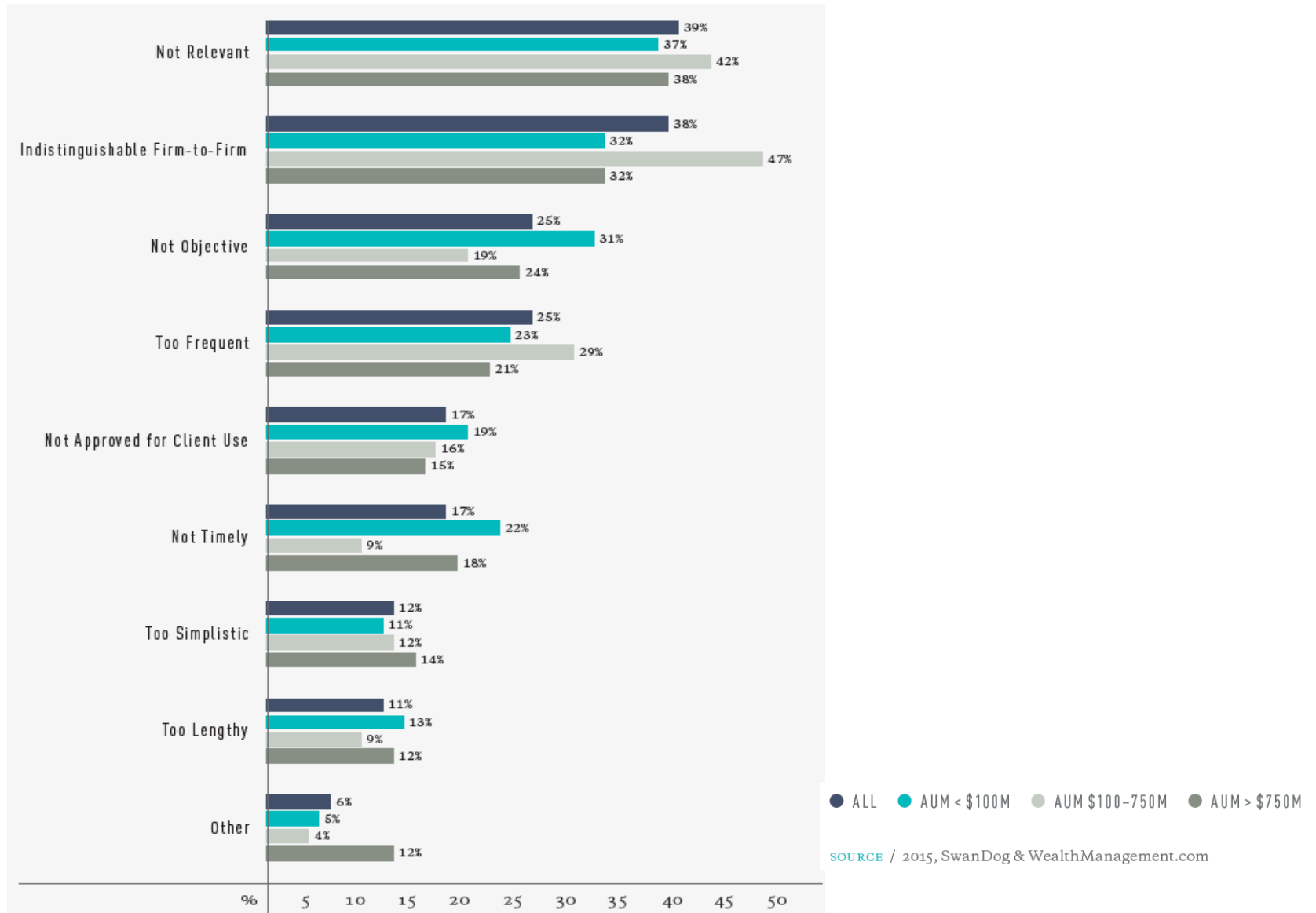
SOURCE / 2015, SwanDog & WealthManagement.com

Asset Manager Commentary is the #2 Source for RIA Investment Perspective

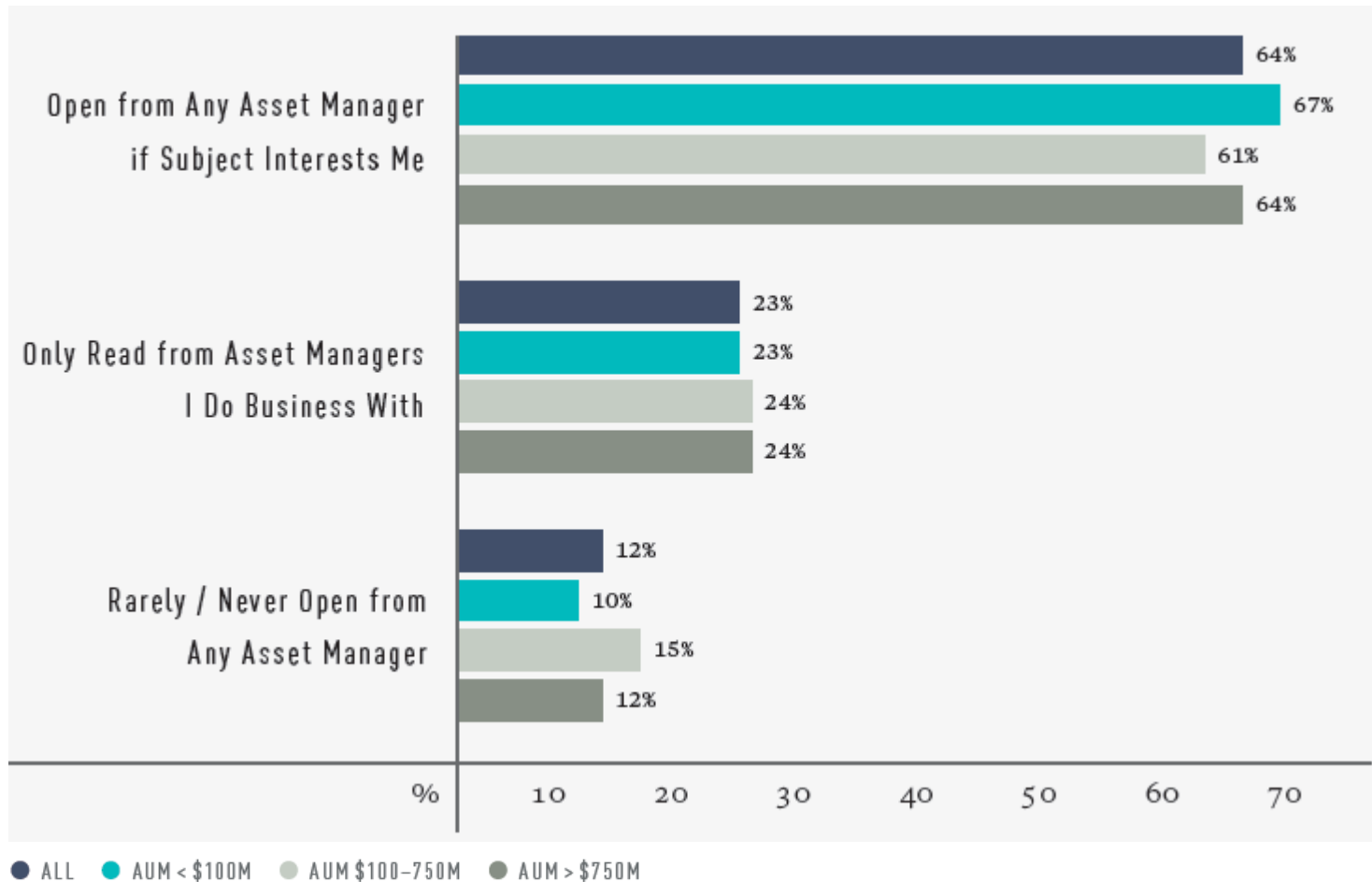


PERSPECTIVE RESOURCES	ALL	AUM < \$100M	AUM \$100-750M	AUM > \$750M
Independent Research	59%	56%	62%	60%
Asset Manager Commentary	45%	44%	48%	40%
Their Firm	44%	31%	48%	77%
General Financial Websites	41%	46%	38%	34%
Trade Print	37%	41%	36%	29%
Trade Websites	37%	43%	30%	34%
General Financial Print	35%	34%	39%	31%
Market Newsletters	32%	35%	33%	26%
Peers	31%	27%	35%	34%
Asset Manager Webinars / Calls	29%	25%	35%	26%
Broadcast Financial News	27%	26%	28%	23%
Industry Associations	21%	17%	26%	23%
Digital News Aggregators	20%	15%	25%	23%
Asset Manager Wholesalers	15%	14%	18%	9%
Asset Manager Tweets / Blogs	6%	5%	8%	6%
Other	6%	5%	7%	6%

Lack of Relevance and Distinctiveness Holding Back AM Communications

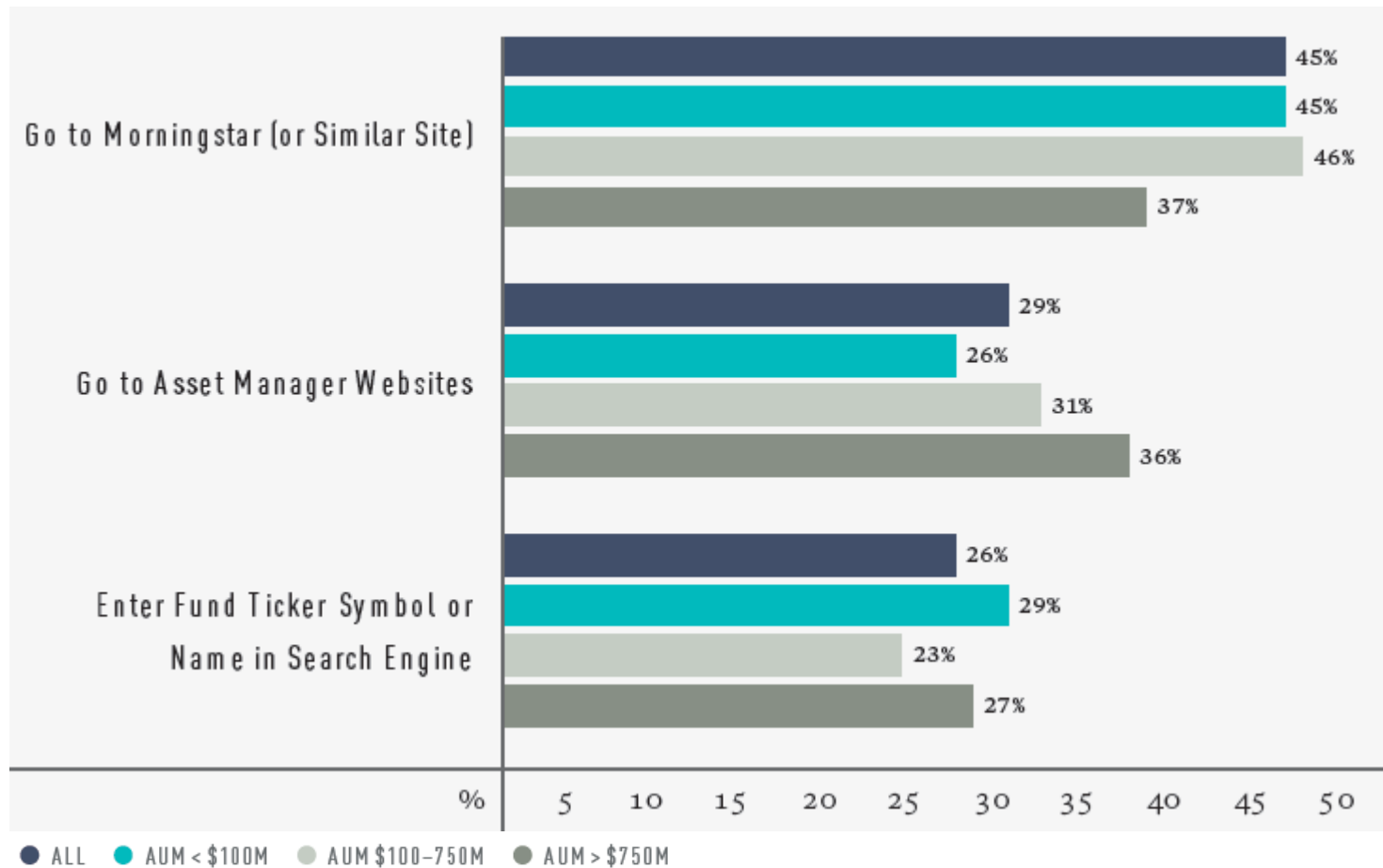


RIAs are Information Seekers; 2/3 Will Open an Email if the Subject Line Grabs Their Attention



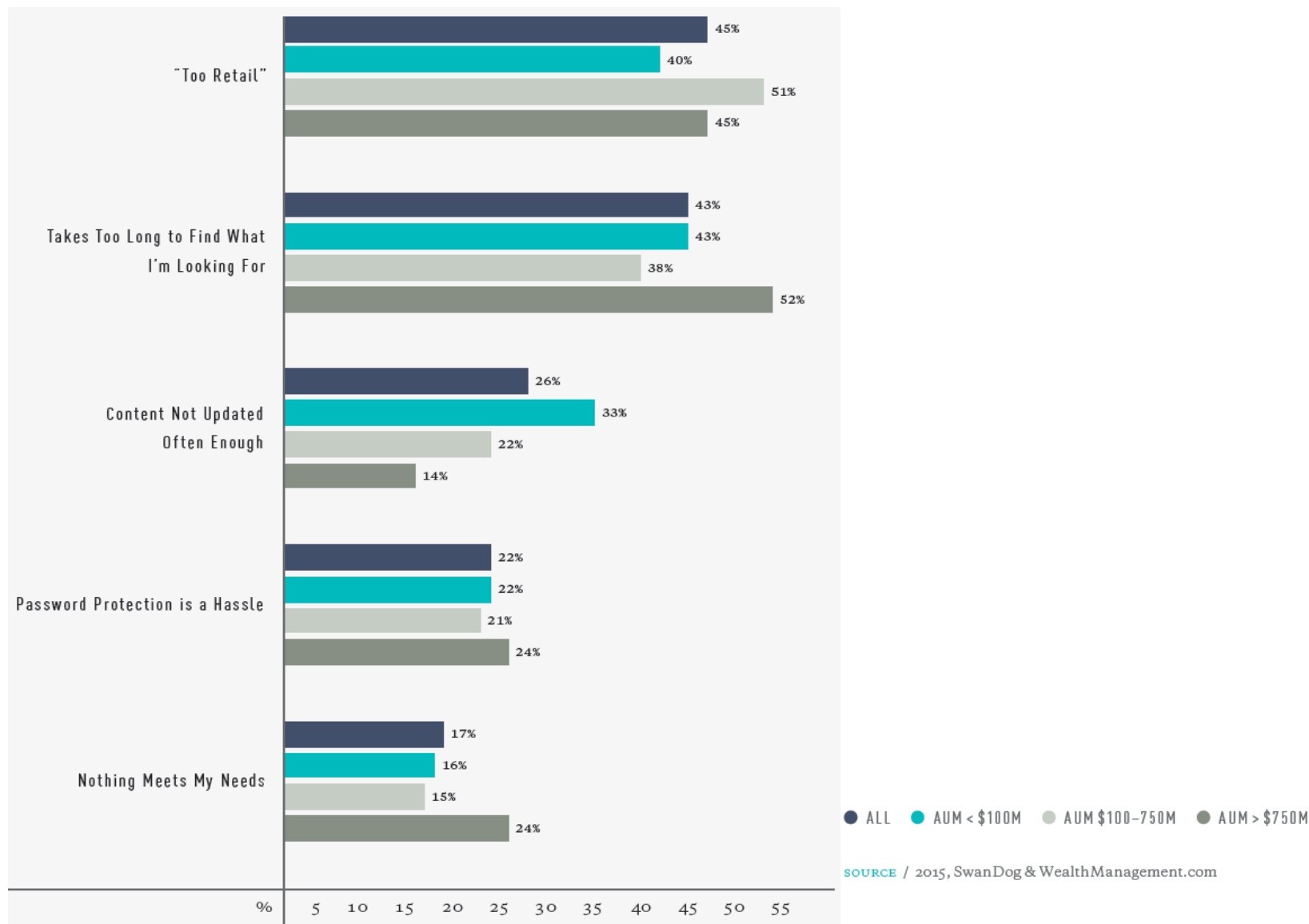
SOURCE / 2015, SwanDog & WealthManagement.com

Nearly 50% of RIAs Seek Product Info on 3rd Party Sites

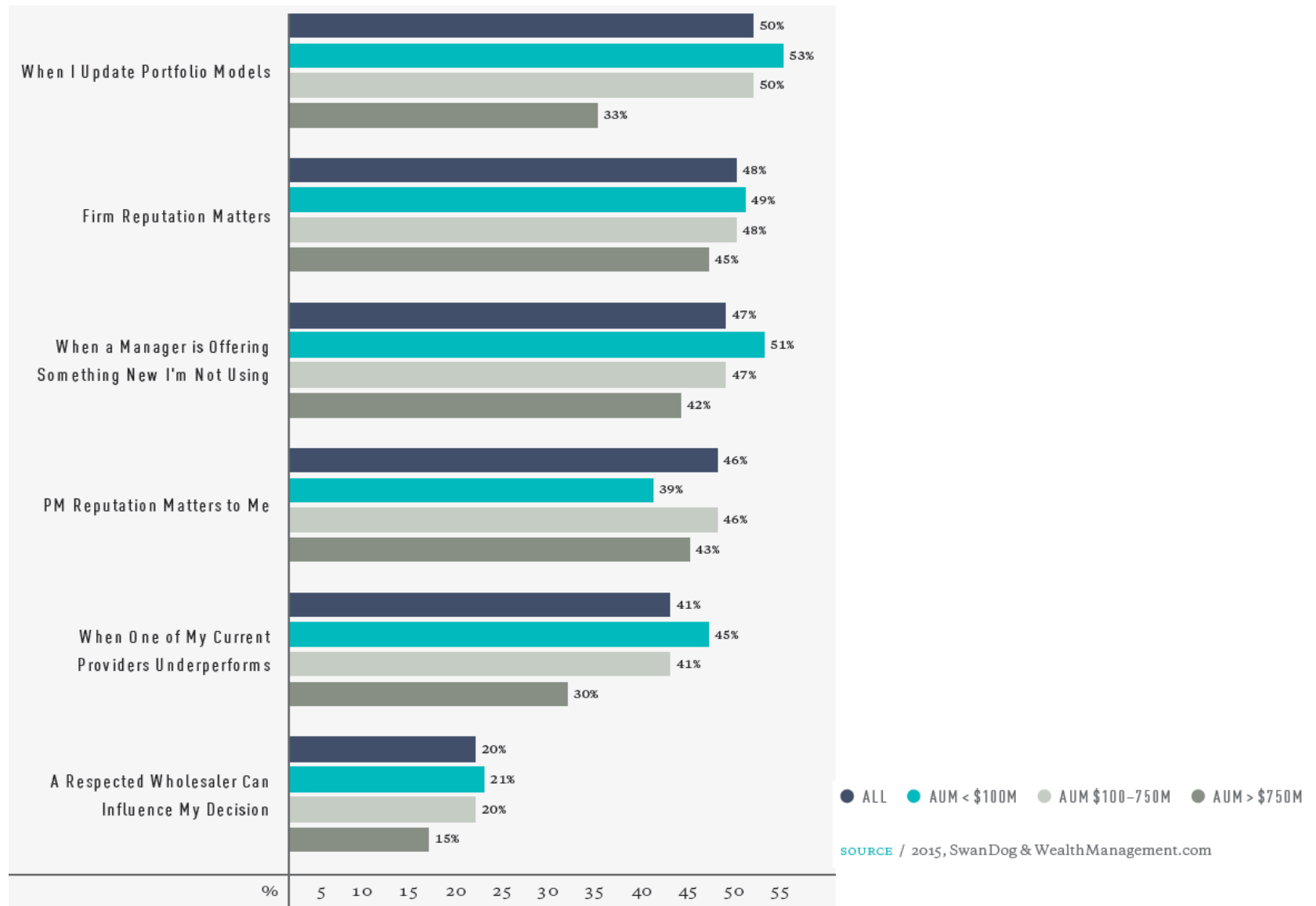


SOURCE / 2015, SwanDog & WealthManagement.com

RIAs Think Asset Manager Websites are too Retail; Takes too Long to Find What They Need

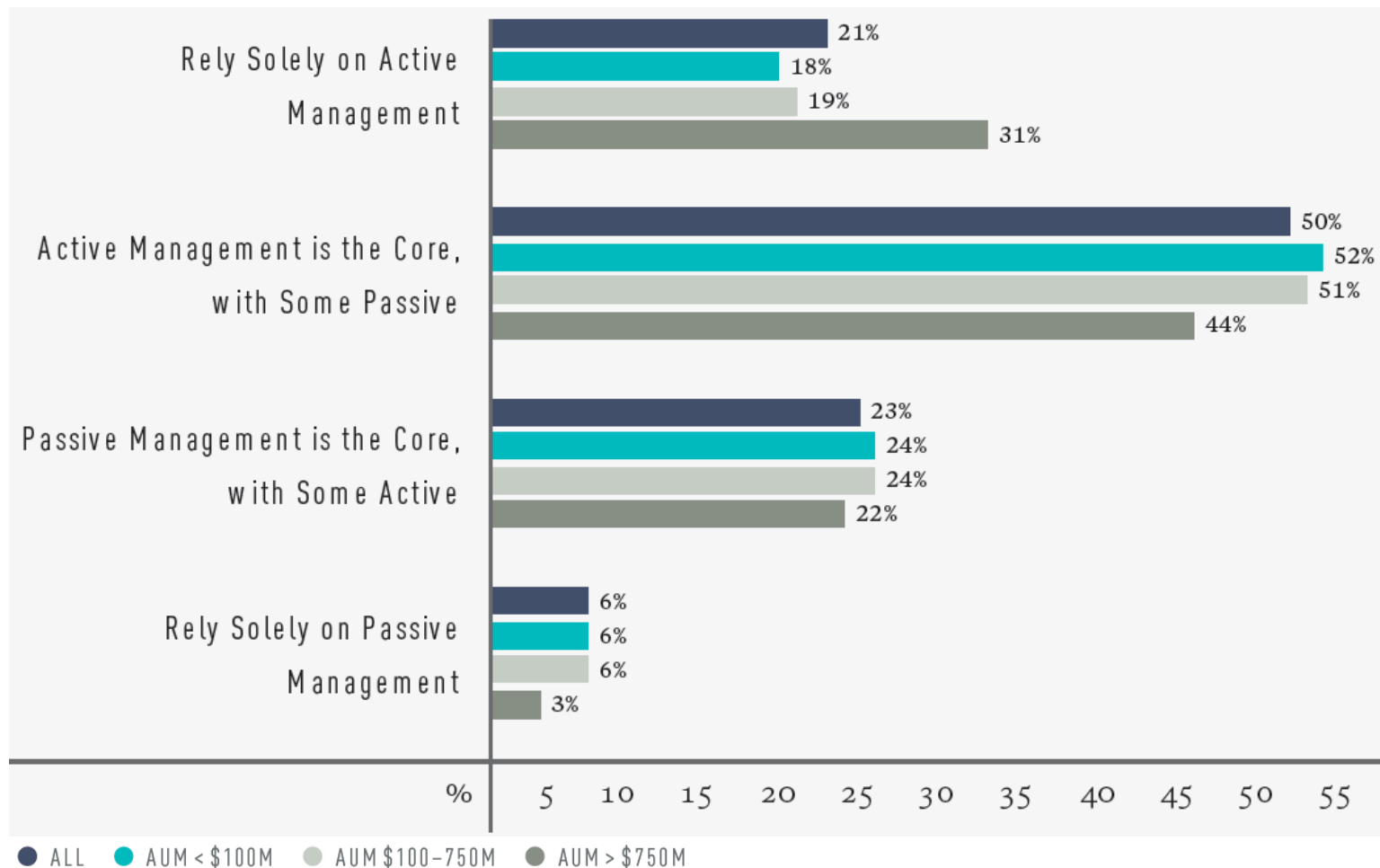


Updating Models and Firm Reputation top Product Change Decision Factors

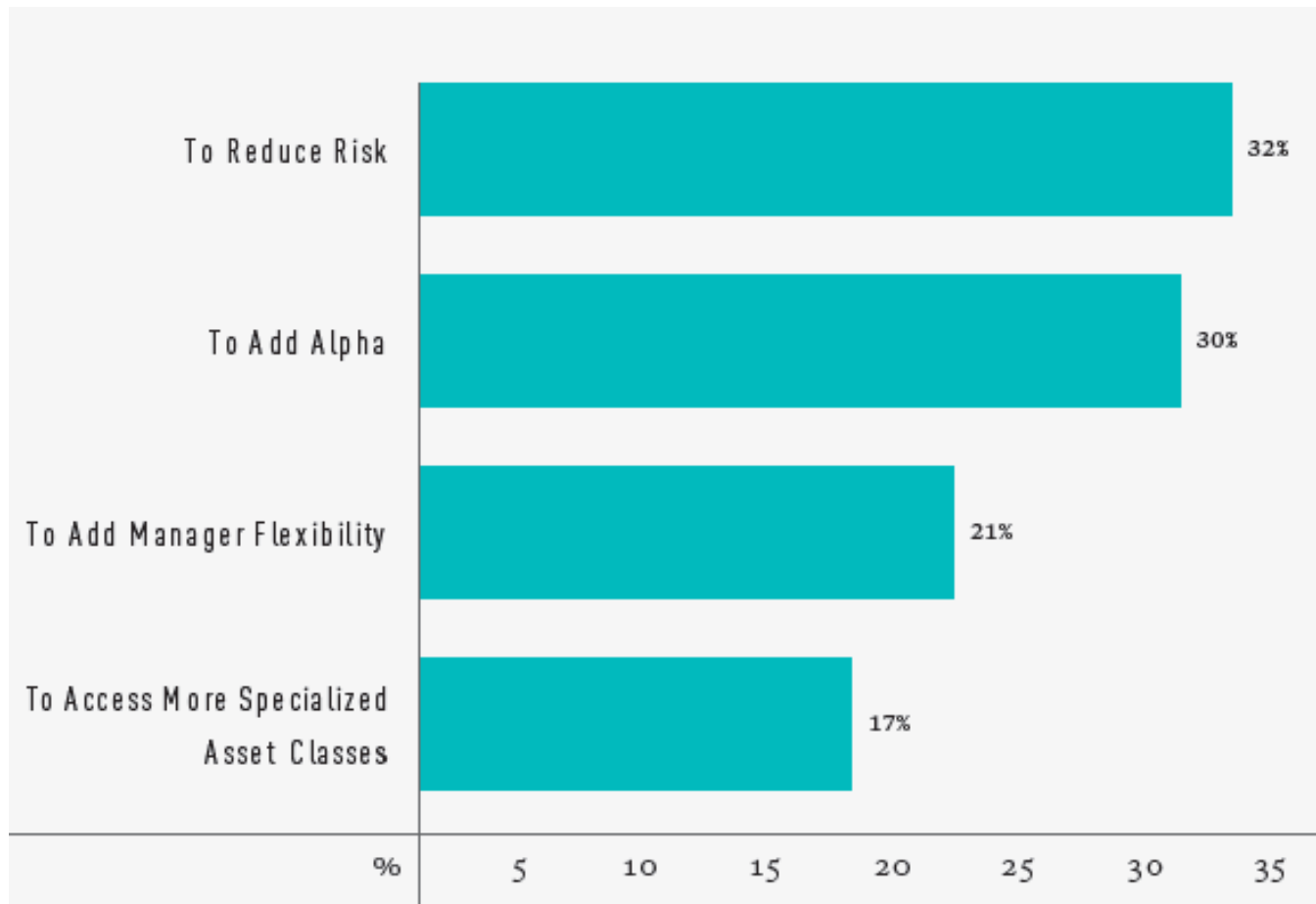


ACTIVE / PASSIVE

More RIAs are Active Leaning; but Nearly 75% use Both Active and Passive Strategies

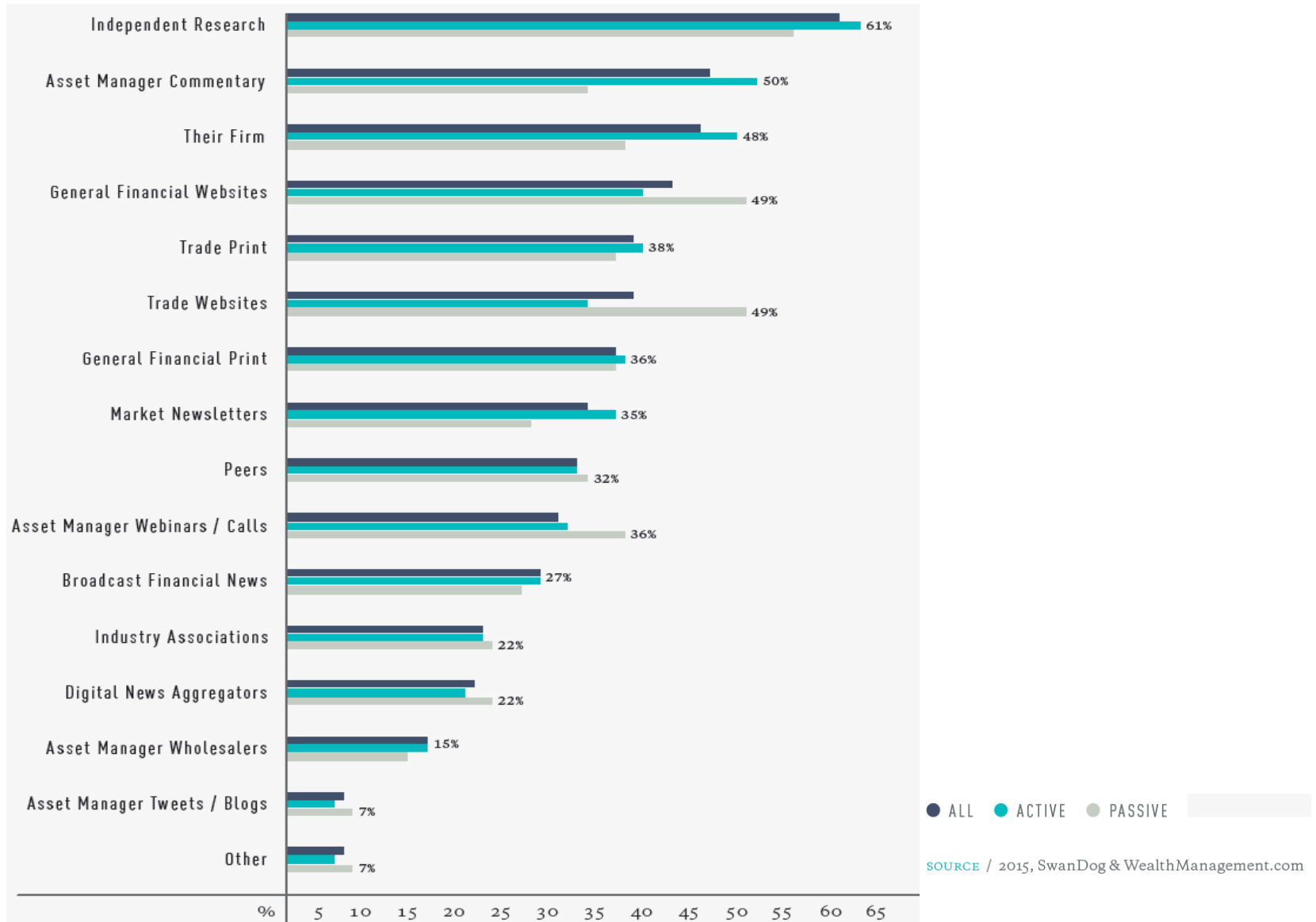


RIAs use Active Management to Reduce Risk and add Alpha

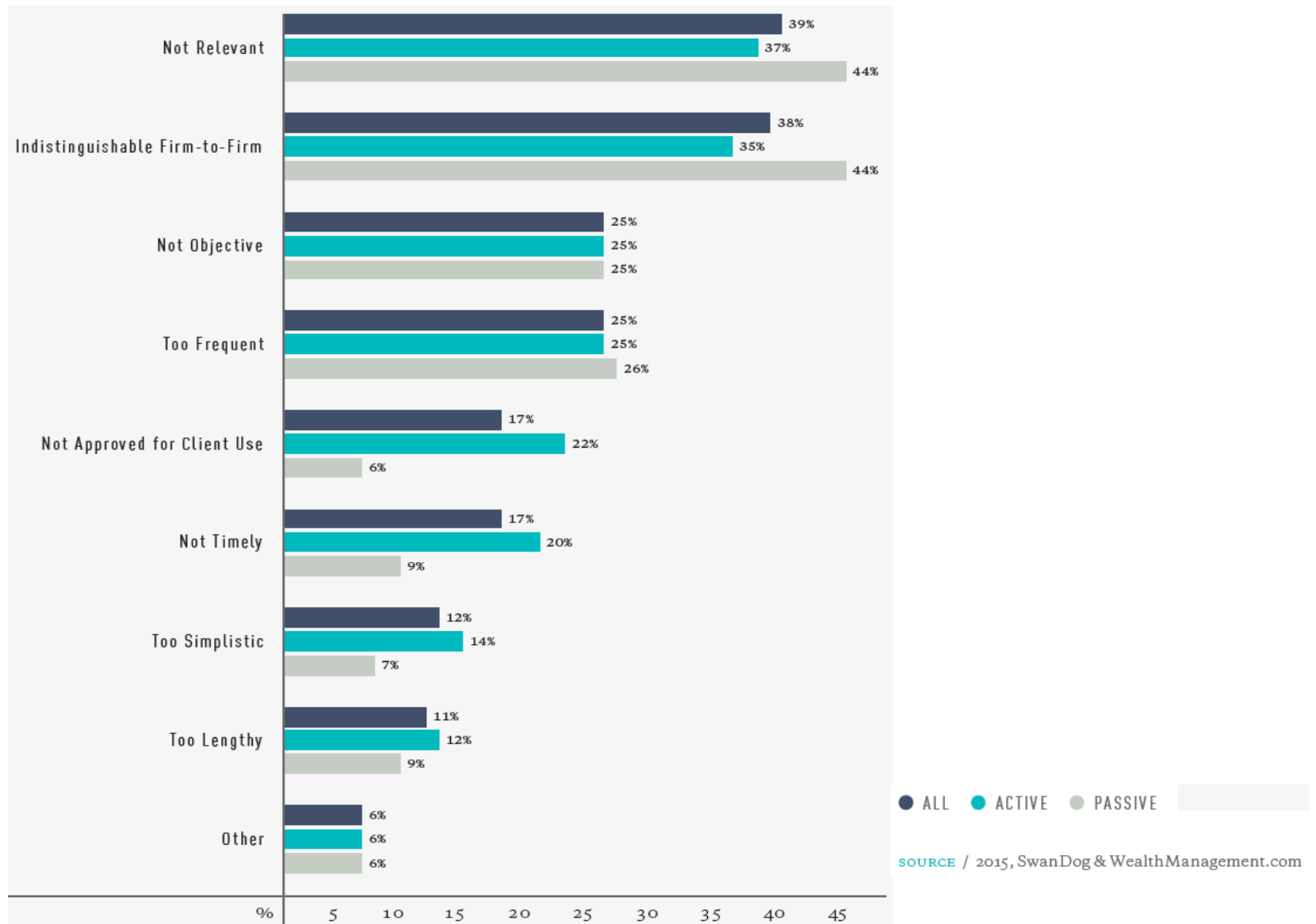


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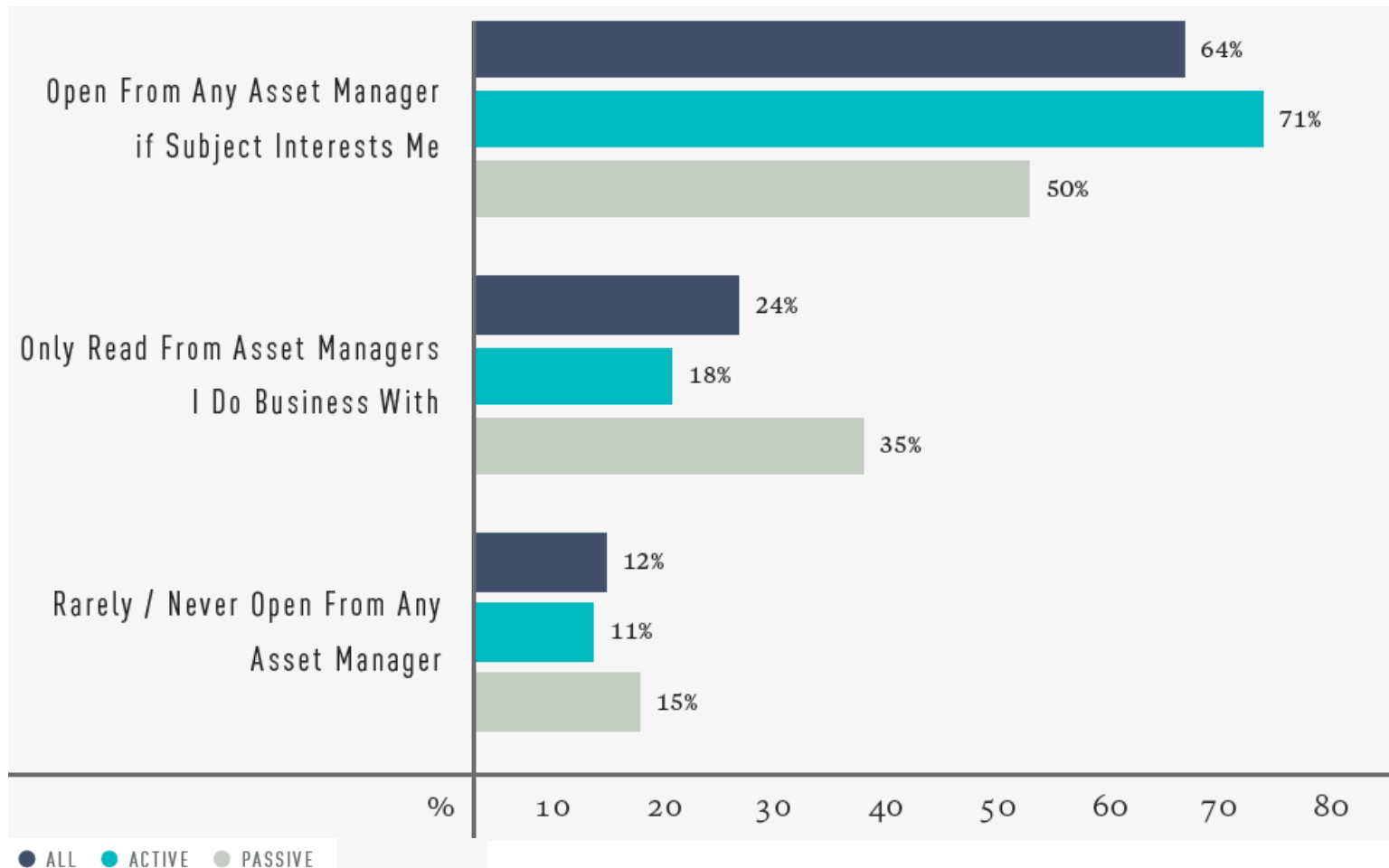
Actives Turn to AMs for Investment Perspective; Passives to the Internet



Passives Vocal About AM Communication Relevance and Distinctiveness



Actives Read AM Email More; Passives More Likely to Read Email from AMs They're Working With



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