

Johnson & Company

MARKETING & FUNDRAISING SPECIALIST FOR
“SUB-INSTITUTIONAL” ALTERNATIVE ASSET MANAGERS
WITHIN VENTURE, PRIVATE EQUITY, PRIVATE CREDIT and HEDGE FUNDS.

“MARKETING ALPHA”

NO BS ♦ NO PROPAGANDA ♦ NO HYPE



INFORMATION ♦ INSIGHT ♦ INTELLIGENCE ♦ INSTRUCTION ♦ EXECUTION

Most new and smaller managers FAIL raising assets.

WHY? = MARKETING.

“81% OF SMALLER MANAGERS DO NOT HAVE A MARKETING PROCESS”.

Source: Alternative Investment Management Association (AIMA)

“Firms lacking a high-quality sales and marketing strategy may struggle to attract assets and face a higher probability of shutting down”.

Source: Agecroft Partners - Top hedge fund industry trends for 2024

“Performance is of secondary importance to perceived safety and a reduction of headline risk. As such, a high-quality product and strong historical returns are not enough for small managers to attract assets. They need an effective sales and marketing strategy. Managers must realize that high-quality marketing is a critical element of a hedge fund's survival and success”.

**Don Steinbrugge
Founder and CEO of Agecroft Partners**

13 consecutive years as Hedge Fund Marketing Firm of the Year by Hedgeweek/HFM



Bryan K. Johnson - Managing Partner

- 25+ years experience in alternative asset class.
 - Principal investor, marketer/salesperson, advisor & expert witness.
- Personally raised \$3+ billion.
- Principal investor of \$50 million private fund.
- Global Head of Business Development for the Alternative Funds Group (AFG) with Moody's Investors Service in New York City.
 - Senior Relationship Officer (SRO) actively called on investment executives and board members at endowments, foundations, Taft-Hartley plans, single and multi-family offices, public pensions, broker-dealers, RIAs and institutional consultants.
 - Led deployment of Operational Quality (OQ) ratings for hedge funds, credit ratings for alternative investment securitizations, Collateralized Fund Obligations (CFOs) and debt obligations of alternative asset managers. Clients: Citadel, Fortress, King Street, Marathon, SAC, Millennium, Brevan Howard & Marshall Wace.
- Before tenure with Moody's, served as senior lead consultant and chief expert witness for The Texas Office of The Attorney General and The State of Texas in the evaluation of hedge funds and private equity firms involving disposition of the generation assets of Texas Genco and the multi-billion dollar true-up of Centerpoint Energy (CNP:NYSE).
- Prior to representing State of Texas and Texas Office of The Attorney General, CEO/Founder of Gotham Bay Partners, an alternative investment firm which developed investment policy and asset allocation strategies for 60+ private wealth investors and family offices as well as evaluated single manager and pooled private equity and hedge funds.
- B.A. - Washington and Lee University (Lexington, VA) 1986.

THE FIRM: JOHNSON & COMPANY

Since 2011, Johnson & Company has been the **ONLY** firm solely dedicated to the unique marketing needs and fundraising requirements of sub-institutional alternative asset managers: Venture, Private Equity and Hedge Funds with less than \$50 million AUM.

For new and smaller managers, raising assets is priority #1 but the biggest challenge: It's hyper-competitive, complicated, confusing, complex and crowded.

Globally, there are 30,000+ hedge funds, 4,000+ private equity firms 40,000+ institutional allocators globally and 55,000+ individuals and families of private wealth with assets exceeding \$30 million in the U.S. alone. There is simply a huge universe to cover tactically and appropriately.

Research shows most new and smaller managers fail to get AUM beyond personal capital along with small amounts from family and friends.

The requirements and demands of institutional and private wealth investors are dynamic, stringent and idiosyncratic.

As such, **MARKETING** i.e. **understanding investor engagement**: Knowing who to speak to, when to speak to them, and how to speak them to build a relationship and achieve **TRUST** and **ACTIONABLE CONVICTION** is essential. Further, most "sub-institutional" managers do not have full clarity and a deep perspective of investors nor an acute grasp of the fundraising challenges on a "manager-specific" basis. The lack of information, insight and intelligence into investors and the capital raising climate as it pertains specifically to the manager/fund means most are flying blind and ultimately fail raising assets.

The marketing and fundraising processes for sub-institutional managers are completely different than for more-operationally seasoned institutional managers and firms with large AUM. Failure to completely understand critical distinctions of the marketing process between sub-institutional and institutional managers along with limited experience with the numerous qualitative and quantitative requirements, nuances and complexities of marketing and fundraising on a "manager-specific" basis leads to mistakes that can be expensive and fatal. As a result, most new and smaller managers, especially those with AUM less than \$50 million, chronically fail raising assets.

Johnson & Company solves these problems with: "MARKETING ALPHA".

"MARKETING ALPHA": expediently, economically & efficiently helps new and smaller managers get the facts and the process to get results raising assets.

25+ years experience, expertise and skill marketing alternative assets and funds enables providing new and smaller managers with the marketing information, insight, intelligence and instruction along with the strategic, tactical, operational and financial marketing **FACTS** on a "manager-specific" basis, which forms the structured, disciplined and focused "step-by-step" process and individual guidance that eliminates marketing mistakes as well as wasted time, effort and money. Most importantly this approach grounded in consultative candor and accountability, optimally-positions, prepares and equips the manager with **assisted consistent execution** of the marketing process "step-by-step/day-by-day" at the level required to raise, retain and expand AUM consistently, faster, easier and less expensively.

THE REALITY OF MARKETING & FACTS OF CAPITAL RAISING FOR NEW AND SUB-\$50 MILLION AUM HEDGE FUND MANAGERS

MOST NEW AND SUB-\$50 MILLION AUM ALTERNATIVE ASSET MANAGERS FAIL TO GET AUM BEYOND PERSONAL CAPITAL ALONG WITH SMALL INVESTMENTS FROM FAMILY, FRIENDS AND MINOR INVESTMENTS FROM A FEW SOCIAL AND PROFESSIONAL RELATIONSHIPS.

The majority of new and smaller managers firmly believe raising assets is simply a matter of investment performance, as a result, "marketing" become a "pitchfest": Endlessly "pitching and posting performance" and attending conferences as well as sending tearsheets and pitchdecks to any investor that they believe has money.

Filled with the belief and conviction that past and future investment performance will quickly attract all the assets wanted, the manager has an expectation to surpass the "credibility threshold" of \$100 million AUM with little difficulty, leap to \$250-\$300 million AUM the "minimum critical mass" for institutional assets, and very shortly find themselves solidly in the "global institutional fundraising sweet spot" between \$400 million - \$2 billion AUM. At such point, they will be large enough to optimize tactical fundraising due to the ability to attract assets from all investor segments but also remain small enough to be "nimble" and avoid the dreaded "dis-economies of scale" associated with large AUM that characterizes the fund/firm as merely an "asset gatherer" functioning as a wealth creation annuity for the founder(s) but devoid of the desire and capability of delivering actual performance to investors.

Within a period of time, the belief that raising assets somewhat easily and quickly due to investment performance begins to diverge from reality. The anticipated consistent acquisition and momentum in growth of AUM fails to meet expectations. **FACT: Starting a fund is easy; raising assets is HARD.**

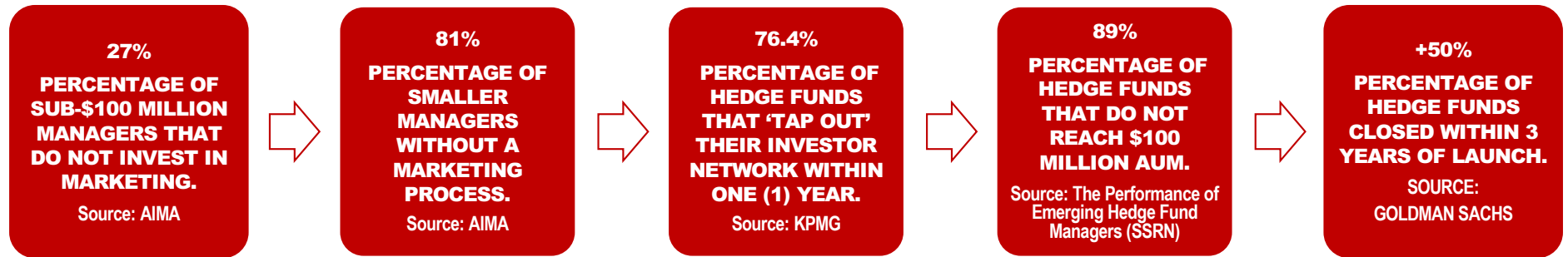
Investors, intermediaries and allocators are highly skeptical, stringent and selective in allocating to alternative managers, especially those that are new or smaller. The decision to invest in a new or smaller manager encompasses a multi-factor manager evaluation process comprised of idiosyncratic qualitative/quantitative aspects that go beyond investment performance as THE only metric in the allocation/investment decision. With more stringent and broader investor requirements of managers and funds, "pitching performance" as well as "posting performance" to raise assets are a waste of time, even with the presence of exceptional performance on a risk-adjusted, relative benchmark, peer or absolute return basis. Moreover, a climate of persistent crisis, global geopolitical instability, rising rates and higher volatility along with social conflict impacts the financial markets on a daily basis, which exacerbates the difficulty, complexity, operational requirements, time and expense of marketing, making capital raising a greater challenge for new and smaller managers, especially those with AUM less than \$50 million.

Three (3) points illustrate the necessity of a marketing process for new and smaller managers raising assets:

1. Since 2009, of 468 U.S. hedge fund clients almost half were out of business with the majority closed within 3 years. **Source: Goldman Sachs Prime Services**
2. Q1/2023 - 4000+ private equity firms are in active fundraising seeking total commitments of \$1.1 trillion dollars. **Source: Private Equity International**
3. Q1/2023 - 18,000+ active hedge funds in U.S. **Source: Preqin**

Marketing and Capital Raising: Hyper-competitive, Stringently Selective and Idiosyncratically Demanding.

WHY JOHNSON & COMPANY OFFERS “MARKETING ALPHA”?



Marketing and Raising Assets: Distinctly separate processes but critically complementary.

Most new, first-time and smaller sub-\$50 million AUM managers as well as those envisioning starting a fund are often highly-skilled in research, trading or some form of investing but do not have the necessary experience, expertise, skills and deep investor relationships for marketing and fundraising. As a result, they lack a clear understanding of the importance, facts, demands, requirements, nuances and complexities of the marketing process along with a solid grasp of the inter-personal communication and engagement skills mandatory to be consistently successful raising assets.

Marketing and raising assets comprise a complex and often complicated puzzle with a large and growing set of ever-moving qualitative and quantitative pieces that must fit together. The marketing requirements to succeed raising assets are often grossly under-estimated by most new and smaller sub-\$50 million AUM managers and the marketing process is completely mis-understood. As a result, most fail raising assets for a fund.

Johnson and Company has the process, experience and skills for new and smaller managers to meet the demands and requirements of marketing and raising assets.

The data-driven consultative candor and accountability in tandem with accurate information, objective insight, experienced intelligence and individual instruction delivered through “Marketing Alpha Briefings” are vital for new and sub-institutional managers to become optimally-positioned, prepared and equipped with the “right” manager-specific marketing process and sharp engagement skills to consistently execute at the level required to succeed raising assets in a hyper-competitive marketing and capital raising environment with stringently demanding investors, allocators and intermediaries.

INFORMATION ♦ INSIGHT ♦ INTELLIGENCE ♦ INSTRUCTION ♦ EXECUTION

WHAT “MARKETING ALPHA” IS NOT?

”Marketing Alpha” is NOT a boot-camp, “masterclass”, seminar, workshop, conference or “event”.

NO BS ♦ NO PROPAGANDA ♦ NO HYPE

There is far too much BS, noise, propaganda, and absolutely wrong information available about new and smaller sub-institutional managers raising assets for a fund.

Most of it is delivered in boot-camps, classes, seminars, workshops, conferences, podcasts and "events". All of these are now very popular but don't live up to the hype of getting a new or smaller manager 'optimally prepared & ready' to raise assets. They lack key ingredients for success: The use of high integrity data-driven intelligence, experienced individual guidance and acute attention provided with candor and accountability.

Classes/seminars/workshops, conferences and "events" offer a lot of "sizzle" i.e. a “secret hack” that unlocks millions in AUM, "tips" and “shortcuts” to raise assets" or "lots of investors, family offices and allocators" and "motivational speakers". Also, they tend to be filled with "service providers" rather than REAL investors.

These "events" have a "party and entertainment" atmosphere and lead new and smaller managers to improvisational, inappropriate, inconsistent and ineffective marketing and fundraising execution without "process". Further they promote unrealistic expectations of what is required and can be achieved when new and smaller managers attempt to raise assets. New and smaller managers serious about raising assets shouldn't need "motivation" and don't need "secret hacks, tips and a “party”.

EXECUTION DEMANDS EDUCATION NOT ENTERTAINMENT.

Importantly, most institutions, allocators and family offices rarely attend "conferences & events". Research clearly illustrates investors have “established networks” to identify managers. In fact, the data shows that “personal networks” are the primary and most powerful source to raise assets and identify managers. Moreover, most Institutions, allocators and family offices are extremely selective in the gatherings they do attend, this is particularly true for family offices and private wealth that place high value on anonymity, confidentiality, security and privacy.

FACT: Raising assets isn't easy and doesn't happen quickly from institutions and family offices.

Raising, retaining and expanding AUM is a triathlon. The swim, bike and run are marketing, capital raising and investor relations! It takes PROCESS, patience, discipline, money (it takes money to raise money!) and skill to WIN! Whether a manager is new, smaller or large, inexperienced or seasoned-institutional level, assets rarely come on-line with the speed, velocity and consistency expected (even when exceptional performance is present!).

"Marketing Alpha" = Vital For Sub-Institutional Managers

- Eliminates the BS, noise and propaganda by providing the FACTS of marketing and raising assets from independent high-integrity data and research.
 - Eliminates struggle, frustration and failure raising assets.
 - "Professionalizes" the marketing process with structure, discipline and focus.
 - Delivers the critical engagement skills required to raise assets within private wealth and institutional segments.
 - Optimizes execution to consistently, economically, expediently and efficiently acquire, retain and expand AUM.
 - Enhances visibility, awareness and relationship-building within the manager's geographic and relational footprint.
 - Prepares for initial launch and raising assets for a first fund or raising institutional capital.
1. Delivers the facts about what it really takes for a new and sub-\$50 million AUM manager as well as those contemplating launching a fund to raise assets by elimination of the hype, noise, completely wrong information, along with the myths and fiction about marketing and raising assets specifically for sub-institutional managers with accurate information, clear objective insight, independent research, experienced intelligence and personalized instruction.
 2. Details the complete marketing process A-Z for sub-institutional managers. All the qualitative and quantitative requirements of the marketing process are detailed and thoroughly discussed with consultative candor. In this way, the manager firmly understands the REAL marketing and capital raising options specific to themselves, their fund and business.
 3. Enables informed data-driven marketing process decisions that validate and support "appropriate" "investor-centric" and "prospect-specific" engagement in tandem with consistent execution of the "right" manager-specific marketing actions.
 4. Instills the confidence for the manager to make the 24/7/365 holistic (personal and financial) commitment to the marketing process by knowing the "right" decisions are being made, the necessary skills are firmly in place, fatal mistakes are being avoided and time, effort and money are not wasted.

Lack of candor is a killer to success. No business should operate without it. Operating with candor and high-integrity independent research sets realistic expectations and eliminates the delusions and magical thinking many new and smaller managers have about the ability to raise assets, the length of time it takes to raise assets and the real costs involved marketing and raising assets.

Candor brings accountability, which is the life-blood of high performance and crucial for continuous improvement. Where candor and accountability are lacking, success and results are never achieved. To that end, a key aspect of the process are 1-on-1 recorded and archived "accountability calls" that enable the level of candor to maintain marketing execution discipline, quality and consistency. The focus of "accountability calls" is shaped by the specific needs of the manager (prospect engagement, presentation skill development, etc"). The archiving of accountability calls serves as a "manager-specific" reference point for marketing and capital raising support.

CANDOR ♦ ACCOUNTABILITY ♦ INDIVIDUAL GUIDANCE ♦ ASSISTED EXECUTION

INFORMATION, INSIGHT, INTELLIGENCE & INSTRUCTION

INITIAL IN-PERSON ON-SITE TOPICS KICKOFF: (9am – 2pm)

1. D.O.M.I.N.A.T.E. – The Marketing Process To Consistently Raise Assets!
2. Understanding and executing the “6-steps” in the allocation pathway.
3. PROCESS is The “New” Performance: The articulation of enterprise-wide process execution for alpha.
4. STOP PITCHING! START PRESENTING!: PROFILE - PREPARE – PRESENT
5. "INVESTOR-CENTRIC": Know the CLIMATE; understand the CONTEXT.
6. "PROSPECT-SPECIFIC" Engagement: The RIGHT Person, the RIGHT Story at the RIGHT Time.
7. Conversation Points: Creating prospect-specific conversation modules.
8. Scripting - Building your prospect conversation script.
9. How to reduce the cost of marketing, increase speed raising assets and momentum in AUM growth.
10. Private Wealth: The Psychology of Ultra High Net-Worth Individuals, Families & Family Offices
11. Avoiding the "Field of Dreams" mentality: "If YOU build it; THEY won't come!"
12. Marketing in Crisis, Chaos & Conflict to "CLOSE".
13. Close Encounters of the 3rd Kind: Third Party Marketers - Limitations & Managing Expectations.
14. DATA: The goldmine for marketing and success raising assets.
15. 4-Quadrant Profiling (4QP): The master key to organically build relationships and the marketing pipeline.
16. The #1 Rule of Consultative Engagement: "Prescription Before Diagnosis is Malpractice!"
17. Negative Selection: How the operational execution blueprint impacts raising assets
18. The RFP Process: Manager selection within the institutional segment.
19. Manager Databases and Platforms - "Post & Hope!": Do they deliver results?
20. ODD-ready! How to minimize, compress and pass operational due diligence.
21. Collateral and content development: One size DOESN'T fit all!
22. The Monthly Comment: Does it get read? or Go in the garbage?!
23. Learn the communication style to build trust + relationships of conviction.
24. EQ > IQ: Using your "Emotional Quotient" (EQ)" to build stronger relationships and raise assets.
25. Don't get CON'D! Why CON-ferences are a waste of time and money for small sub-institutional managers!
26. De-CAPitated! - How to work efficiently and effectively with prime broker cap intro.
27. “The 7 Elements of Style” – Avoid fatal marketing mistakes raising assets.
28. Measurement: Metrics Matter! - Get Answers. Manage Actions. Achieve Results.
29. Intermediation (consultants): Behavioral drivers, structural issues and engagement.
30. "Going Institutional" - The critical elements to attract institutional assets.
31. Vendor Selection: Service Providers -vs- Service Partners!
32. Enhancing The Manager/Fund Profile: Operational Stability, Continuity, Consistency & Accountability.
33. Seeding, Incubation, First-Loss and Acceleration Capital: Real Options or Hype?!
34. LIGHTS! CAMERA! ASSETS?! – The use of social media and video.
35. NO FREE LUNCH: The REAL cost of marketing and raising assets for new and smaller managers.
36. Creating the marketing and fundraising budget to achieve your capital raising goals.

PROCESS = ASSESSMENT + REMEDIATION + EXECUTION

25+ years of marketing and fundraising experience, skills and expertise along with the “fact-based, data-driven” process and guidance that immediately stops wasting TIME, MONEY & EFFORT marketing as well as prevents mistakes that are fatal to success raising assets by using “high-integrity” independent research to provide the insight and intelligence to achieve clarity of the marketing and capital raising landscape that meets the “manager-specific” challenges of a manager evaluation and selection process characterized by expansive, protracted and invasive due diligence by highly-skeptical, stringently selective and idiosyncratically demanding investors, allocators, intermediaries and gatekeepers.

- ✓ **In-person onsite (9am-2pm).**
- ✓ **Weekly 1-on-1 Marketing/Fundraising Sessions.**
- ✓ **24/7 "On-Call" Marketing/Fundraising Execution Assistance.**
- ✓ **Development/Execution of the "manager-specific marketing process".**
- ✓ **Determination of manager profile & geographic/relational investor footprint.**
- ✓ **Assessment/Remediation of the marketing pipeline.**
- ✓ **Assessment/Remediation of collateral & content.**
- ✓ **Assessment/Remediation of conversational & engagement skills.**
- ✓ **Operational & Strategy Due Diligence + Competitive analysis.**
- ✓ **Recorded "accountability calls" to maintain execution quality and consistency.**

ASSESSMENT:

- The focal points of assessment are the two (2) most critical execution factors to raise assets consistently, expediently, economically and efficiently.
- 1. The ability to build and maintain the marketing pipeline qualitatively, quantitatively and geographically within the relational footprint given the manager fund profile.
- 2. The skills for appropriate and consistent "investor-centric + prospect-specific" pipeline engagement with a structured, disciplined and focused process.
- This enables the development of the "pre-marketing" process or remediation of the current marketing approach to execute a proper "re-marketing" process.

REMEDATION:

- Determines the correct strategic and tactical "manager-specific" marketing process to be installed along with proper budget.

EXECUTION:

- Weekly scheduled recorded sessions for "step-by-step + day-by-day" execution with the structure, discipline, focus and candor to achieve and maintain the level required to consistently raise, retain and expand AUM.
- "on-call marketing assistance" to insure that the consistency, quality and execution of the marketing process.

“MARKETING ALPHA”

INFORMATION ♦ INSIGHT ♦ INTELLIGENCE ♦ INSTRUCTION ♦ EXECUTION

GET THE FACTS. GET PREPARED. GET THE PROCES = GET RESULTS

LIMITED ACCEPTANCE

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Johnson & Company

GET REAL. GET READY. GET RESULTS.



“Marketing Alpha” For Sub-Institutional Alternative Asset Managers

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